PIRAEUS BANK

MID YEAR FINANCIAL REPORT

For the 1st half 2013

According to Law 3556/ 2007

August 2013

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

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STATEMENT (article 5 of L. 3556/2007)

To the best of our knowledge, the 2013 Interim Financial Statements, which have been prepared in accordance with the applicable accounting standards, give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Bank S.A. and of the undertakings included in the consolidated accounts, taken as a whole, as provided in art. 5 par. 3-5 of Law 3556/2007 and the Board of Director's interim report presents fairly the information required by art. 5 par. 6 of Law 3556/2007.

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

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

International Environment and Developments in the Eurozone

During the first half of 2013, the outlook of the global economy continues to present particular challenges. However, the enhancement of the majority leading indicators that were recorded in the U.S.A. and the Eurozone during July, along with their configured level, is signaling the acceleration of GDP growth in the U.S.A., as well as the Eurozone's gradual return to growth.

In the overtone of the crisis in Cyprus in March 2013 and the recession in the periphery of Europe, a contraction of -0.4% is anticipated for the Eurozone economy in 2013, according to the European Commission (May 2013). The elections and the general political developments in Germany are expected to affect the speed and determination of those decisions required for the adoption of a complete fiscal solidarity among the countries of the Eurozone. In any case, the increase of the Eurozone's GDP by 0.3% on a quarterly basis during the Q2 of 2013 comprises a positive signal.

Developments in the Greek Economy and the Greek Banking System

The macroeconomic prospects of the Greek economy during 2013 remain unchanged in general with reference to the previous year, but with a slight improvement trend, while the messages emerging from the economic indices are mixed. On one hand, the Greek economy continues to remain in recession for a sixth consecutive year, with the GDP rate remaining in negative territory as a result of the 2012 carry over effect, but also due to the continuing decrease in domestic demand. On the other side, the economic and financial ratios indicate a continuing improvement in the confidence of Greece's recovery prospects. The latest European Commission and IMF forecasts refer to moderate recovery of the Greek economy as of early 2014, mainly attributed to investments and exports, with an annual GDP growth of 0.6% in 2014 and increasing positive GDP rates from 2015 and onwards.

Regarding the financing support of the Greek program, it is noted that along with the fulfillment of the prerequisite actions by Greece and the subsequent completion of the third positive review of the second economic adjustment program for Greece from the European Commission, the EFSF advanced to the disbursement of €2.5 bn on July 31, for the coverage of the fiscal requirements and the servicing of the country's sovereign debt. On the same day, the amount of €1.5 bn was disbursed, as an outcome of the income generated by the Central Banks through the retention of Greek Government Bonds, while on July 29, the IMF disbursed €1.7 bn following its fourth program evaluation.

The Troika (EU, IMF, and ECB) acknowledges that the course of the program implementation and fiscal adjustment are generally on track with the targets. However, they stress the need for structural reforms acceleration on the tax administration, on the organization and staffing of the public sector, as well as on the privatization program, noticing that only the full and consistent compliance with the commitments may restrict the uncertainty and will drive faster the recovery of the Greek economy. Towards this direction, the significant improvement of the current account balance recorded in May consists, along with the slight rise on the industry turnover, a positive signal for balancing the economy. On the other side, the economic sentiment index remains at a low level, a fact associated with the low consumer and business confidence index, as well as the high unemployment.

The recapitalization of the 4 Greek systemic banks effectuated according to Law 3864/2010 and the Cabinet Ministers' Act 38/9.11.12, consists an important development for 2013. By its completion, the Greek banking system was significantly reinforced and is entering a new phase. During the period of

May-June 2013, National Bank of Greece, Alpha Bank and Piraeus Bank successfully completed their respective share capital increases with the participation of the private sector, whereas, the HFSF (Hellenic Financial Stability Fund) fully covered Eurobank's share capital increase. Among the 3 banks, that covered the required private participation threshold, Piraeus Bank attained the highest level i.e. 20%, with mainly international but also Greek investors having participated.

The Greek banking system has completed a phase of an unprecedented consolidation. Emphasis is now turned upon the integration of the smaller banking activities by the 4 systemic banks, the organizational streamlining, the accomplishment of synergies, as well as delinquent loans management. During H1 2013, new consolidation initiatives were realized in the sector, such as the acquisition of the Greek operations of the 3 Cypriot Banks (Bank of Cyprus, CPB and Hellenic Bank) and Millennium Bank of Greece by Piraeus Bank, the absorption of the new Hellenic Postbank and new Proton Bank by Eurobank and the absorption of FBB and Probank by National Bank of Greece.

Regarding the Greek banking market, it is noted that the December 2012-June 2013 change of aggregated loan balances in the Greek market was slightly negative (-2%). On the contrary, deposits of the private and public sector slightly improved by 1% since the beginning of the year, while deposits rose 11% on an annual basis, as June 2012 recorded the lowest historical point of the Greek market deposits since the beginning of the crisis. This increase of deposits was accompanied by a simultaneous reduction of Eurosystem financing (ECB and ELA) in the Greek market at €82 bn in June 2013 versus €121 bn in December 2012 (€136 bn in June 2012), showing further de-escalation trends, as interbank activity with the use of collaterals apart from Eurosystem, has already began again.

The management of the quality of the loan portfolio remains one of the basic priorities for the Greek banks, as the prolonged recession has driven the ratio of the market's non-performing loans to the level of 30% (estimate). The Greek banks have already formed cumulative loan loss impairments approximately at a level of 50% of the total non-performing loans, while the economic recovery is expected to enable the gradual stabilization of impairments. The Greek banks are in a stronger position to withstand an additional deterioration of the quality of their loan portfolio, following their recent recapitalization, until the market conditions improve, as expected in 2014. Piraeus Bank enjoys a total capital adequacy ratio of 14.0% and EBA Core Tier I of 13.8%.

Events that Regard Piraeus Bank Group

Amid these aforementioned conditions, Piraeus Bank has played an important role in the restructuring of the Greek banking system. On an operational level, the most important events during the first half of 2013 and up to the publication of the financial statements were the following:

- on January 28, 2013, following the decision of the Bank of Greece Resolution Measures Committee (resolutions 9/1/28.01.2013 and 8/1/24.01.2013 - Government Gazette 112/24.01.2013), the acquired by Piraeus Bank perimeter of selected "healthy" assets and liabilities of the under special liquidation credit institution Agricultural Bank of Greece S.A. was finalized. The difference between the transferred assets and liabilities, amounting €7.5 bn, was covered by the Hellenic Financial Stability Fund (HFSF);
- on March 26 2013, Piraeus Bank signed an agreement to acquire all Greek deposits, loans and branches of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank, including loans and deposits of their Greek subsidiaries, for a total cash consideration of €524 mn;
- on April 18 2013, Piraeus Bank signed an agreement for the sale of the shareholding participation (93.27%) of the ATEbank Romania S.A., for the consideration of €10.3 mn, with the spin-off of the majority of the assets and liabilities of the subsidiary and contribution of the same to Piraeus Bank Romania S.A.;
- on April 23 2013, the 2nd Iterative Meeting of Shareholders decided upon the following:

  - the increase of the nominal value of each ordinary share and parallel reduction in the number of the Bank's ordinary shares (reverse split) and subsequent share capital increase of the Bank with capitalization of part of the reserve of article 4, para. 4a, c.l. 2190/1920 for the purpose of achieving an integral number of shares;
  - the creation of special reserve of article 4, para. 4a, c.l. 2190/1920, with equal reduction of the Bank's share capital by decreasing the nominal value of each ordinary share, without changing the number of ordinary shares;
  - the increase of the share capital of the Bank through the issuance of new ordinary shares in order to raise funds of the total amount of €8,429 mn, €7,335 mn in order to meet the regulatory capital requirements of Piraeus Bank following the implementation of the Greek government bond exchange program (PSI) and €1,094 mn following the acquisition of "healthy" ATEbank and the Greek operations of the 3 Cypriot Banks in Greece;
- on April 25 2013, Piraeus Bank announced that it had reached an agreement with Bank of Cyprus, Cyprus Popular Bank (CPB) and Hellenic Bank for the acquisition of the activities and custodian services, liquidation and settlement of transactions of the branches of the three Cypriot financial institutions in Greece. Additionally, the relevant agreement with Cyprus Popular Bank also includes the acquisition of the operations of the CPB branches in Greece relating to the representation of distribution of the UCITS units (mutual funds);
- on May 13 2013, Piraeus Bank announced the Tender Offer to purchase existing securities for cash, referring to subordinated and hybrid securities totaling €321 mn. The offer targeted the strengthening of the quality of the Group's regulatory capital, while the acceptance of the offers reached the amount of €66 mn and Piraeus Bank's Core Tier I capital was strengthened by €37 mn (pre-tax);
- on May 29 2013, the Bank announced that pursuant to the resolutions of the 2nd Iterative General Meeting of the Shareholders on 23.04.2013, approved by the Meeting of the Preference Shareholder dated 23.05.2013 and the appropriate authorizations granted, the Board of Directors resolved the following:
  - increase of the nominal value of each ordinary share from €0.30 to €3.00 and parallel reduction in the number of the Bank's ordinary shares from 1,143,326,564 to 114,332,657 (reverse split with 10 old shares for every new share) and subsequent share capital increase of the Bank with capitalization of €1.80 of the reserve of article 4 par 4a c.l. 2190/1920 for the purpose of achieving an integer number of shares;
  - creation of special reserve of par. 4a in article 4 of c.l. 2190/1920, of €308,698,173.90 with reduction of Bank's share capital by decreasing the nominal value of each ordinary share from €3.00 to €0.30 without changing the number of ordinary shares (114,332,657);
  - the determination, according to the provisions of the Cabinet Ministers' Act. 38/2012 (a) of the subscription price at €1.70 per new share after the reverse split (corresponding to a value € 0.170 prior to the implementation of the reverse split) and (b) the number of new shares to be issued under the capital increase to 4,958,235,294. Hence, after the capital increase the total number of new ordinary shares will be 5,072,567,951. Consequently, for every existing common share after the reverse split, the shareholder will obtain the right to subscribe for 35.680197 new shares at a subscription price of €1.70 per share;
- on June 23 2013, the Bank successfully completed the migration of IT systems of ex ATEbank into the IT systems of Piraeus Bank. All ex ATEbank and Piraeus Bank customers are served through the consolidated IT systems and unified procedures for all activities;
- on June 28 2013, the Bank announced the completion of a capital increase by €8,429 mn, with the amount drawn by private investors reaching €1,444 mn or 19.68% of the €7,335 mn recapitalisation increase. The remaining amount has been drawn by contribution in kind (EFSF Bonds) from the HFSF. According to the provisions of Law 3864/2010 and the Ministerial Council Act 38/2012, the Financial Stability Fund issued 849,195,130 warrants to the private investors that participated in the share capital increase, while the Bank did not proceed to the issuing of contingent convertible bond

loan to the Fund. As a result, following the Board of Directors certification of the payment of the Total Increase amount on 28.06.2013, the Bank's share capital reached the amount of €2,271,770,384.28, divided into (i) 5,072,567,951 common registered shares with voting rights, of €0.30 nominal value each; (ii) 77,568,134 preference shares without voting rights, as per Law 3723/2008, of €4.77 nominal value each; and (iii) 1,266,666,666 preference shares without voting rights, as per Law 3723/2008, of €0.30 nominal value each;

- on July 3 2013 the new common registered, voting shares of the Bank, issued as a result of the Bank's share capital increase with payment in cash and contribution in kind, commenced trading on Athens Exchange, as well as 849,195,130 Warrants issued and granted by the HFSF, pursuant to the applicable legislation. Warrants are freely transferable securities with no restrictions. Every HFSF Warrant incorporates the holder's right to purchase 4.47577327722 New Shares owned by the HFSF. For the detailed announcement please refer to the following link: http://www.piraeusbankgroup.com/~/media/Com/Piraeus-Bank-Documents/Press-Releases/2013/eisagogi-pros-diapragmateusi-neon-metoxon-warrants-en.ashx
- on July 14,2013 Piraeus Bank successfully completed the migration of IT systems of the ex Hellenic Bank network in Greece into the Piraeus Group IT systems,
- on July 15, 2013 the 1st Iterative Ordinary General Meeting of Shareholders for the fiscal year of 2012 was held.

Finally, it should be noted that the HFSF contracted a Relationship Framework Agreement (RFA) with Piraeus Bank, as well as the other three systemic banks which received capital enhancement from the Fund in July 2013. Piraeus Bank signed the RFA for the banks in which the Fund holds restricted voting rights (private sector participation equal or above 10%) according to L.3864/2010. The RFA regulates the relationship between the banks and the Fund, as well as the issues related, among other, with a) the corporate governance of each Bank, b) the drafting and approval of the Restructuring Plan, c) the important liabilities of the Restructuring Plan and the changes on the voting rights of the Fund, d) the monitoring of the Restructuring Plan materialization and the implied risk exposures for the Bank and e) the consensus rights of the Fund. It is noted that, the Banks' managements, will continue to independently determine the Banks' business strategy and policy, according to the Restructuring Plan and the Banks' managements and bodies will continue to hold the responsibility for the day-to-day operations. The aforementioned RFAs are published according to the regulations of the Memorandum of Economic and Financial Policies (MEFP) on the HFSF internet site (www.hfsf.gr).

Evolution of Piraeus Group Volumes and Results in H1 2013

As a result of the operations that were acquired during the period July 2012-June 2013, it is noted that Piraeus Group's balance sheet as of 30.06.13 incorporates the assets and liabilities of Millennium Bank Greece and the Greek banking operations of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank, including loans and deposits of their subsidiaries in Greece, furthermore the Group's results incorporate the results stemming from Millennium Bank for the period from 20.06.13 until 30.06.13 and the aforementioned results from the networks of the Cypriot banks for the period 16.03.13 until 30.06.13 (results related to loans and deposits, while the other elements post acquisition date 26.03.13). The financial data of "healthy" ATEbank and Geniki Bank are incorporated in the balance sheet of 30.06.13 and the P&L for H1 2013. Furthermore, it is noted that the activities of ATE Insurance and its subsidiary ATE Insurance Romania are discontinued, both in the balance sheet and in the results for H1 2013.

Regarding Piraeus Group's financial performance in H1 2013, total assets at the end of June 2013 amounted to €95.0 bn.

The Group's total deposits amounted to €54.7 bn on June 30, 2013, with savings and sight deposits representing 38% of the total portfolio. The Group's deposits in Greece amounted to €50.2 bn, remaining flat since the beginning of the year on a comparable basis. It should be noted that the evolution of deposits for Piraeus-ATE for the same period was +9% or +12% on an annual basis. Piraeus Bank is the leading bank in Greece possessing a deposits' market share of 29%. Deposits of the Group's international operations stood at €4.5 bn.

The Eurosystem funding on 30.06.2013 amounted to €16 bn (€15.6 bn ECB and ELA €0.5 bn), showing a significant annual deceleration and, most importantly, minimizing funding through ELA, which has high cost. This reduction is attributed to both the positive change in deposits and the Group's regaining access to the interbank repo market, with an aggregated balance of approximately €10 bn at the end of June 2013. Reducing the level of reliance on the Eurosystem, as it is reflected in the Bank's net Eurosystem over total assets ratio at 12% on 30.06.2013 (excluding the EFSF bonds that have been used as collateral for funding by the Eurosystem), enables Piraeus Bank to achieve autonomy in financing and regain access to the capital markets.

The Group's gross loans at the end of June 2013, amounted to €75.7 bn. Total loans in Greece were €68.5 bn, and those stemming from international operations amounted to €7.2 bn. Regarding the customer category breakdown of the loan portfolio, total Group business loans amounted to €49.1 bn, representing 65% of the total portfolio, whereas retail loans amounted to €26.6 bn or 35% of the total loans. Net loans amounted to €63.3 bn. Piraeus Group is the leading bank in terms of loans possessing a market share of 30%. Consequently to the aforementioned, the loans to deposits ratio stood to 116%.

The Group's loans in arrears over 90 days (NPLs) ratio reached 33% of gross loans at the end of June 2013, incorporating all acquisitions. It is estimated, that the NPL ratio for the total Greek market at end of June 2013 ranged 29%-30%. The NPLs>90 days coverage by cumulative provisions ratio for the Group stood at 49% on 30.06.2013. It is worth mentioning, that the cumulative provisions to gross loans ratio for the Group stood at the significantly high level of 16% at end June 2013, which safeguards the balance sheet against adverse macroeconomic conditions. Furthermore, it should be noted that the stabilization of the NPL formation in Q1 and Q2 of 2013 was improved compared to Q4 2012, which is also a positive signal of asset quality evolution.

The Group's net interest income stood at €734 mn in H1 2013. It should be noted that net interest income has gradually benefited from the normalization of the high funding costs, as the level of deposits' cost of in Greece declined in parallel with the stabilization of the domestic economic environment.

Furthermore, the reduction of the level of reliance on the ELA mechanism that took place since the beginning 2013 had a positive impact on the Group's interest income in H1 2013, as it was burdened to lesser extent (€58 mn compared to €162 mn in H1 2012). Net interest income stemming from operations in Greece amounted to €577 mn, while international operations contributed €157 mn.

Net commission income amounted to €122 mn in H1 2013, of which €107 mn were derived from commercial banking operations (i.e 88% of the total). Net commission income stemming from operations in Greece amounted to €98 mn and €24 mn from international operations.

Net revenues for H1 2013 stood at €956 mn.

The Group's operating costs for H1 2013 amounted to €644 mn. Staff expenses accounted for 54% of the total costs (€347 mn), administrative expenses 37% (€237 mn) and amortization and other expenses 9% (€60 mn). Operating costs were also burdened by the integration costs for the operations which were acquired by Piraeus from July 2012 and onwards. When excluding the aforementioned expenses, the Group's operating costs for H1 2013 amounted to €627 mn. It should be noted that in the context of rationalizing the branch network in Greece in order to achieve cost synergies, 36 branches were closed during H1 2013.

The Group's pre-tax and provision profit for H1 2013 stood at €308 mn. However, when excluding the one-off integration costs, pre-tax and provision profit was €325 mn.

The total impairment losses on loans reached €1,054 mn, (279 bps compared to 466 bps in FY 2012) of which €866 mn were related to Greece and €189 mn to international operations.

Group pre-tax results amounted to a loss of €857 mn, when the negative goodwill of €3,810 mn stemming from the acquisitions is excluded.

Specifically, the method of Purchase Price Allocation was applied in accordance with the provisions of IFRS 3 Business Combinations in determining the fair value of the assets and liabilities of the domestic operations of the Cypriot banks, ATEbank and the Millennium Bank Greece. The total negative goodwill amounted to € 3,810 million.

Including the aforementioned amount the Group's pre-tax results was €2,953 mn.

The Group's net profit attributable to shareholders from continuing operations in H1 2013 was €3,509 mn, while discontinued operations posted a profit of €21 mn.

It should be noted that the aforementioned net results include a positive deferred tax contribution of €559 mn, stemming from the corporate tax rate increase from 20% to 26% beginning 01.01.2013.

The Group's total equity at the end of June 2013 amounted to €9.5 bn, following the successful capital increase by €8.4 bn. The total capital adequacy ratio stood at 14.0%.

The Group's branch network comprised 1,718 branches at the end of June 2013, 1,280 of which were in Greece and 438 in 9 other countries. The Group employed 24,743 people (excluding discontinued operations), 18,591 in Greece and 6,152 abroad.

At the end of June 2013, the Group's international operations comprised 9% of its total assets, and 25% of both the total branch network and 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 H1 2013, 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 2013

The Risk Management Framework of the Group is presented analytically in the Group's 2012 annual financial Report (note 3). During H1 2013, the major initiatives that were realized aiming at upgrading the Group's Risk Management Framework were the following:

- completion of an integrated rating scale for the Bank's business portfolio credit rating models;
- optimization of the model used for vessel shipping financing (object finance);
- development of an hierarchy model based on capital costs stemming from the collections' process for the Bank's business portfolio;
- automation of the validation of the credit rating models applied for the business portfolio;
- extension of the monitoring at Group level for country risk and credit risk related to bonds;
- integration of risk data stemming from acquired Cypriot operations, in order to calculate capital requirements and the overall risk management of the Group, along with the integration of data required for the risk capital calculation of Millennium Bank;

- adaptation projects / transition to Basel II regulatory framework in Egypt and Albania;
- adjustments of potential operational risks of the Bank related to the integrations of ATEbank and Cypriot banks;
- completion of operational risk self-assessment in six organizational units of the Bank.

The economic situation in Greece, although it has improved on the fiscal side, it remains the main risk factor for the Greek banking sector in general, and specifically for Piraeus Bank. The sustainability of public debt is an additional risk factor for the Greek banking system, along with the execution risk related to the degree of implementation of the commitments through the country's economic adjustment program.

Finally, as a result of the consolidation process in the banking sector, Piraeus Bank, as well as other systemic banks in Greece, is faced with important operational and IT integration challenges. Especially in this field, and following the integration of ATEbank and Hellenic Bank, the Piraeus Bank places special emphasis on establishing special working groups and specific action plans which are necessary for the smooth and seamless integration of existing banking operations that were obtained during the first half 2013. Piraeus Bank is confident that the integration of these activities will be completed very smoothly and within the timeframes that have been set.

Estimates for the Development of Piraeus Group's activities in H2 2013

The planning of Piraeus Group incorporates its effective intervention in ensuring sufficient liquidity in the market with competitive terms, and also the restructuring and managing of delinquent loans in an efficient manner with the goal to enable sustainability to both businesses and households.

The Group's loan portfolio in Greece, which currently incorporates the loans of the Cypriot operations in Greece, Millennium Bank Greece, Piraeus Bank, the "healthy" part of ATEbank and Geniki Bank, is expected to mildly deleverage. With regards to deposits, there has been a reversal of their negative course in the balances both in the market and the Group in Greece since the second half of 2012. It should be noted that during the last few months, deposit balances have stabilized, a trend which is expected to continue given that the conditions of the economic environment remain unchanged. As a result of this stabilization, the level of reliance on the Eurosystem funding was reduced, while interbank lending activity against collaterals outside the Eurosystem was re-established since the beginning of 2013. Moreover, the cost of funding is expected to decelerate further, which will have an impact on the entire Greek market.

Regarding operating costs, it should be noted that cost containment and cost savings measures are implemented throughout the Group's operations. However, in 2013 and in the context of achieving synergies, the integration process, such as necessary infrastructure and network consolidation initiatives are accelerated in order to exploit cost synergies. Although these initiatives increase the integration costs of the newly acquired operations, they accelerate the reduction of the Group's operating costs. The Voluntary Exit Scheme for the Group's employees in Greece is among these initiatives and is currently in progress until early September 2013. It is noted that the total fully phased pre-tax costs, funding and revenue synergies have been calculated at approximately €550 mn, while non-recurring integration costs for the period 2013-2015, which are required for the realization of these synergies are estimated at approximately €420 mn.

2013 is a year of significant challenges for Piraeus Bank, apart from the completion of the recapitalization process, the migration of IT systems of ATEbank (in June 2013) and the migration of Hellenic Bank (in July 2013), the integration process of infrastructures and systems as well as the harmonization of processes of the other acquired operations will also take place later this year and will be completed by early 2014. The smooth integration of operations and financial companies that were acquired by the Bank since mid-2012, comprise a primary target for Piraeus, both in ensuring the financial position of the Group along with managing all risks that were undertaken, and achieving the planned cost and revenue synergies as well as serving the Group's customers in a seamless manner. It should be noted that the Bank has extensive experience in integrating acquired operations, as it has implemented more than 15 bank acquisitions in the past. Consequently, Piraeus reasonably believes that the newly acquired banking activities will integrate very smoothly. The completion of this integration process is expected to provide an additional competitive advantage for Piraeus Group.

The Greek banking system is entering a new era, following its restructuring and the recapitalization. For Piraeus Bank, this new era signals an opportunity for a new start, as it has achieved, through its business choices in the last few months, a leading presence in the Greek market and strong capital adequacy ratios. At the same time, these achievements create new and increased responsibilities for the Group. In response to its new role as the largest financial institution in Greece, Piraeus Bank is called upon to accomplish its commitments from a position of an even greater responsibility.

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 2013 and the related condensed company and consolidated income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

Reference to Other Legal and Regulatory Requirements

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

pwc

Athens, 29 August 2013

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152 32 Halandri
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THE CERTIFIED AUDITOR

Dimitris Sourbis
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PIRAEUS BANK GROUP

Consolidated Interim Condensed Financial Information

30 June 2013

In Accordance with the International Financial Reporting Standards

The attached consolidated interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on August 28th, 2013 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

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

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Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Period from 1 January to		Period from 1 April to	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
Interest and similar income		1,707,766	1,305,834	944,118	611,003
Interest expense and similar charges		(974,093)	(897,464)	(524,965)	(437,857)
NET INTEREST INCOME		**733,672**	**408,370**	**419,153**	**173,146**
Fee and commission income		141,254	103,026	78,197	50,232
Fee and commission expense		(19,468)	(13,805)	(11,432)	(6,812)
NET FEE AND COMMISSION INCOME		**121,786**	**89,221**	**66,764**	**43,420**
Dividend income		5,300	1,937	5,181	1,853
Net trading income	8	55,580	210,934	15,377	113,603
Net income from financial instruments designated					
at fair value through profit or loss		5,146	2,440	591	425
Results from investment securities		13,789	(645)	7,643	(441)
Other operating income		20,421	(5,773)	9,257	(19,865)
Negative goodwill due to acquisitions	28	3,810,338	-	396,647	-
TOTAL NET INCOME		**4,766,032**	**706,486**	**920,613**	**312,140**
Staff costs		(347,197)	(169,815)	(198,572)	(85,264)
Administrative expenses		(237,126)	(147,029)	(149,400)	(81,968)
Depreciation and amortisation		(60,264)	(51,967)	(32,629)	(23,818)
Gains/ (losses) from sale of assets		452	(206)	151	(243)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(644,135)**	**(369,017)**	**(380,450)**	**(191,294)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**4,121,898**	**337,469**	**540,163**	**120,847**
Impairment losses on loans, debt securities and other receivables	15	(1,097,621)	(806,044)	(592,514)	(511,609)
Impairment on investment securities		(31,707)	(357,646)	(31,274)	(44,797)
Other provisions and impairment		(35,186)	(37,417)	(34,462)	(37,164)
Share of profit of associates		(3,932)	(10,906)	(5,755)	(9,480)
PROFIT/ (LOSS) BEFORE INCOME TAX		**2,953,453**	**(874,544)**	**(123,842)**	**(482,203)**
Income tax	10	551,020	514,526	13,582	78,438
PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**3,504,473**	**(360,019)**	**(110,260)**	**(403,764)**
Profit after income tax from discontinued operations	9	21,145	2,694	8,970	1,460
PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD		**3,525,618**	**(357,325)**	**(101,290)**	**(402,304)**
From continuing operations					
Profit/ (loss) for the period attributable to equity holders of the parent entity		3,508,923	(355,179)	(107,738)	(401,017)
Non controlling interest		(4,449)	(4,839)	(2,522)	(2,746)
From discontinued operations					
Profit for the period attributable to equity holders of the parent entity		21,145	2,654	8,970	1,439
Non controlling interest		(0)	40	0	21
Earnings/ (losses) per share attributable to equity holders of the parent entity (in euros):					
From continuing operations					
- Basic and Diluted	11	22.1963	(3.0903)	(0.5253)	(3.4894)
From discontinued operations					
- Basic and Diluted	11	0.1338	0.0231	0.0437	0.0125

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Period from 1 January to		Period from 1 April to	
CONTINUING OPERATIONS		30 June 2013	30 June 2012	30 June 2013	30 June 2012
Profit/ (loss) after tax for the period (A)		3,504,473	(360,019)	**(110,260)**	**(403,764)**
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Net change in available for sale reserve	12	20,462	37,034	22,753	(4,384)
Change in currency translation reserve	12	6,598	(10,482)	4,838	(11,008)
Amounts that can not be reclassified in the Income Statement					
Change in acturial gain/ (losses) at the defined benefit obligations		-	-	-	-
Other comprehensive income for the period, net of tax (B)	12	**27,060**	**26,552**	**27,591**	**(15,392)**
Total comprehensive income for the period, net of tax (A+B)		**3,531,533**	**(333,467)**	**(82,669)**	**(419,156)**
- Attributable to equity holders of the parent entity		3,535,943	(328,680)	(80,200)	(416,526)
- Non controlling interest		(4,410)	(4,787)	(2,469)	(2,631)
DISCONTINUED OPERATIONS					
Profit after tax for the period (C)		**21,145**	**2,694**	**8,970**	**1,460**
Amounts that can be reclassified in the Income Statement					
Net change in available for sale reserve	12	2,307	76	2,329	15
Change in currency translation reserve	12	(31)	702	(61)	1,825
Amounts that can not be reclassified in the Income Statement					
Change in acturial gain/ (losses) at the defined benefit obligations		-		-	
Other comprehensive income for the period, net of tax (D)	12	**2,276**	**778**	**2,268**	**1,840**
Total comprehensive income for the period, net of tax (C+D)		**23,421**	**3,472**	**11,238**	**3,300**
- Attributable to equity holders of the parent entity		23,421	3,395	11,237	3,205
- Non controlling interest		0	77	1	95

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2013	31 December 2012
ASSETS			
Cash and balances with Central Banks	13	3,437,904	3,307,503
Loans and advances to credit institutions		339,266	380,384
Derivative financial instruments - assets		454,941	441,317
Trading securities	14	230,652	362,868
Financial instruments at fair value through profit or loss	14	12,943	7,833
Reverse repos with customers		23,873	35,924
Loans and advances to customers (net of provisions)	15	63,316,846	44,612,686
Debt securities - receivables	15	15,779,650	8,015,997
Investment securities			
- Available for sale securities	16	2,827,592	4,836,475
- Held to maturity	16	73,974	74,006
Investments in associated undertakings		341,085	301,696
Intangible assets		310,252	409,755
Property, plant and equipment		1,443,635	1,324,491
Investment property		964,754	1,078,513
Assets held for sale		21,613	15,537
Deferred tax assets		2,627,239	1,897,474
Inventories property		491,448	332,057
Other assets	18	1,985,175	2,596,810
Assets from discontinued operations	19	343,312	377,150
TOTAL ASSETS		**95,026,154**	**70,408,477**
LIABILITIES			
Due to credit institutions	20	27,430,451	32,561,322
Liabilities at fair value through profit or loss		-	21,953
Derivative financial instruments - liabilities		457,766	423,519
Due to customers	21	54,733,284	36,971,208
Debt securities in issue	22	404,091	533,702
Hybrid capital and other borrowed funds	23	256,269	324,141
Retirement benefit obligations		212,935	183,238
Other provisions		33,301	22,136
Current income tax liabilities		18,166	12,996
Deferred tax liabilities		40,300	37,215
Other liabilities		1,389,007	1,035,700
Liabilities from discontinued operations	19	588,210	605,654
TOTAL LIABILITIES		**85,563,779**	**72,732,784**
EQUITY			
Share capital	25	2,271,770	1,092,998
Share premium	25	10,008,734	2,953,356
Less: Treasury shares	25	(140)	(36)
Other reserves	26	28,871	(4,655)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	26	11,578	9,301
Retained earnings	26	(2,979,755)	(6,503,766)
Capital and reserves attributable to equity holders of the parent entity		**9,341,057**	**(2,452,802)**
Non controlling interest		121,318	128,495
TOTAL EQUITY		**9,462,375**	**(2,324,307)**
TOTAL LIABILITIES AND EQUITY		**95,026,154**	**70,408,477**

The notes on pages 6 to 33 are an integral part of the consolidated interim condensed financial information.

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the parent						
		Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings	Minority interests	TOTAL
Opening balance as at 1 January 2012		**1,092,998**	**2,953,355**	**(192)**	**(145,587)**	**(5,975,641)**	**135,230**	**(1,939,837)**
Impact from the retrospective application of I.A.S. 19 amendment	26					11,073	4	**11,077**
Restated opening balance as at 1 January 2012		**1,092,998**	**2,953,355**	**(192)**	**(145,587)**	**(5,964,568)**	**135,234**	**(1,928,759)**
Other comprehensive income, net of tax	12				27,243		87	27,330
Results after tax for the period of 1/1/2012 - 30/6/2012	26					(352,525)	(4,800)	(357,325)
Total recognised income for the period of 1/1/2012 - 30/6/2012		**0**	**0**	**0**	**27,243**	**(352,525)**	**(4,713)**	**(329,995)**
Prior year dividends of ordinary shares							**(63)**	(63)
Expenses on issue of preference shares	26					(23)		(23)
(Purchases)/ sales of treasury shares	25, 26			124		65		189
Transfer between other reserves and retained earnings	26				6,776	(6,776)		0
Acquisitions, liquidation and movement in participating interest	26					(256)	235	(21)
Balance as at 30 June 2012		**1,092,998**	**2,953,355**	**(68)**	**(111,568)**	**(6,324,083)**	**130,693**	**(2,258,672)**
Opening balance as at 1 July 2012		**1,092,998**	**2,953,355**	**(68)**	**(111,568)**	**(6,324,083)**	**130,693**	**(2,258,672)**
Other comprehensive income, net of tax					104,031		(214)	103,817
Results after tax for the period 1/7/2012-31/12/2012	26					(146,115)	(4,107)	(150,222)
Total recognised income for the period 1/7/2012 - 31/12/2012		**0**	**0**	**0**	**104,031**	**(146,115)**	**(4,321)**	**(46,405)**
Impact from I.A.S. 19 Amendment after income tax that recorded directly to Equity	26					(21,569)	(5)	(21,574)
Prior year dividends of ordinary shares							(187)	(187)
(Purchases)/ sales of treasury shares	25, 26			32		150		182
Transfer between other reserves and retained earnings	26				12,651	(12,651)		0
Acquisitions, disposals, absorptions, liquidation and movement in participating i	26				(467)	501	2,316	2,350
Balance as at 31 December 2012		**1,092,998**	**2,953,355**	**(36)**	**4,647**	**(6,503,767)**	**128,496**	**(2,324,307)**
Opening balance as at 1 January 2013		**1,092,998**	**2,953,355**	**(36)**	**4,647**	**(6,503,767)**	**128,496**	**(2,324,307)**
Other comprehensive income, net of tax	12				29,297		39	29,336
Results after tax for the period 1/1/2013 - 30/6/2013	26					3,530,068	(4,450)	3,525,618
Total recognised income for the period 1/1/2013-30/6/2013		**0**	**0**	**0**	**29,297**	**3,530,068**	**(4,410)**	**3,554,954**
Increase of share capital	25	1,487,471	6,746,680					8,234,151
Decrease of the nominal value of ordinary shares	**25**	(308,698)	308,698					0
(Purchases)/ sales of treasury shares	25, 26			(105)		46		(59)
Transfer between other reserves and retained earnings	26				6,504	(6,504)		0
Expenses on Increase of share capital of subsidiary company	26					(1,449)	(1)	(1,449)
Acquisitions, disposals, absorprions, liquidation and movement in participating	26					1,853	(2,767)	(914)
Balance as at 30 June 2013		**2,271,770**	**10,008,734**	**(141)**	**40,448**	**(2,979,753)**	**121,317**	**9,462,376**

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Note	Period from 1 January to 30 June 2013	30 June 2012
Cash flows from operating activities from continuing operations			
Profit/ (Loss) before tax		2,953,453	(874,544)
Adjustments to profit/ (loss) before tax:			
Add: provisions and impairment		1,164,513	1,189,961
Add: depreciation and amortisation charge		60,264	51,967
Add: retirement benefits		6,908	9,668
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		(48,823)	83,417
(Gains)/ losses from investing activities		(10,179)	(234,220)
Negative goodwill due to the acquisitions	28	(3,810,338)	-
Cash flows from operating activities before changes in operating assets and liabilities		315,799	226,249
Changes in operating assets and liabilities:			
Net (increase)/ decrease in cash and balances with Central Banks		(175,358)	116,240
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		173,743	(53,537)
Net (increase)/ decrease in debt securities - receivables		(778,284)	258,276
Net (increase)/ decrease in loans and advances to credit institutions		(3,286)	14,629
Net (increase)/ decrease in loans and advances to customers		2,984,665	620,290
Net (increase)/ decrease in reverse repos with customers		12,051	54,408
Net (increase)/ decrease in other assets		523,215	43,525
Net increase/ (decrease) in amounts due to credit institutions		(6,311,508)	1,035,472
Net increase/ (decrease) in liabilities at fair value through profit or loss		(21,953)	(18,075)
Net increase/ (decrease) in amounts due to customers		(97,331)	(3,098,353)
Net increase/ (decrease) in other liabilities		263,941	(19,685)
Net cash flow from operating activities before income tax payment		(3,114,306)	(820,562)
Income tax paid		(3,268)	(9,812)
Net cash inflow/ (outflow) from continuing operating activities		**(3,117,574)**	**(830,374)**
Cash flows from investing activities of continuing operations			
Purchases of property, plant and equipment		(94,803)	(70,440)
Sales of property, plant and equipment		11,057	11,533
Purchases of intangible assets		(16,632)	(13,707)
Purchases of assets held for sale		(7,659)	(2,088)
Sales of assets held for sale		1,664	2,197
Purchases of investment securities		(3,655,281)	(3,291,983)
Disposals/ maturity of investment securities		5,669,298	4,499,087
Acquisition of subsidiaries excluding cash & cash equivalents acquired	29	172,142	(171)
Sales of subsidiaries excluding cash and balances sold		888	-
Sales of associates	29	4	-
Acquisition and participation in share capital increases of associates	29	(1,630)	(844)
Dividends received		523	813
Net cash inflow/ (outflow) from continuing investing activities		**2,079,572**	**1,134,397**
Cash flows from financing activities of continuing operations			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(265,787)	(383,277)
Increase of share capital		1,180,322	-
Prior year dividends paid		(14)	(60)
Purchases/ sales of treasury shares and preemption rights		(59)	189
Other cashflows from financing activities		7,612	4,164
Net cash inflow/ (outflow) from continuing financing activities		**922,073**	**(378,984)**
Effect of exchange rate changes on cash and cash equivalents		(15,706)	2,637
Net increase/ (decrease) in cash and cash equivalents of the period from continuing activities (A)		**(131,635)**	**(72,324)**
Net cash flows from discontinued operating activities		(36,771)	2,168
Net cash flows from discontinued investing activities		36,826	4,984
Net cash flows from discontinued financing activities		-	110
Exchange difference of cash and cash equivalents		(40)	-
Net incease/ (decrease) in cash and cash equivalents of the period from discontinued activities (B)		**15**	**7,262**
Cash and cash equivalents at the beginning of the period (C)		**2,473,084**	**2,681,134**
Cash and cash equivalents at the acquisition date, of assets and liabilities of Cypriot banks' network in Greece (D)		**11,696**	-
Cash and cash equivalents at the end of the period (A)+(B)+(C)+(D)		**2,353,160**	**2,616,072**

The notes on pages 6 to 33 are an integral part of the consolidated interim condensed financial information.

1. General information about the Group

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

Piraeus Bank (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern Europe, Egypt, as well as London and Frankfurt. The Group employs in total 25,017 people of which 274 people, refer to discontinued operations (ATE Insurance S.A and ATE Insurance Romania S.A.).

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Banks, Large Cap), FTSE/ATHEX-CSE Banking Index, FTSE (Global Small Cap, Greece Small Cap, RAFI, Med 100), MSCI (Emerging Markets Small Cap, Europe Small Cap, Greece Small Cap), Euro Stoxx (All Europe, TMI) 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 2012 have been followed.

The following amendments have been issued by the International Accounting Standards Board and are effective from 1.1.2013.

- **IAS 12 (Amendment), "Income Taxes" (effective for annual periods beginning on or after 1 January 2013).** Amendments to IAS 12 were issued to provide guidance namely to the measurement of deferred tax on: a) investment property measured at fair value and b) property, plant and equipment measured using the revaluation model in IAS 16. In both cases, deferred tax is required to be measured using the rebuttable presumption that the carrying amount of the underlying asset will be recovered through sale.

- **IAS 19 (Amendment), "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013).** The amendment removes the corridor mechanism and the concept of expected returns on plan assets. Actuarial gains and losses will be recognized in other comprehensive income as they occur. Plan assets will produce a credit to income based on corporate bond yields irrespective of the actual composition of assets held. The application of the revised IAS 19 is retrospective and the impact from its adoption is presented in note 30.

- **IAS 1 (Amendment), "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012).** The amendment requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. If the items are presented before tax, then the tax related to the two groups of other comprehensive income items (those that might be reclassified and those that will not be reclassified) must be shown separately. The adoption of the aforementioned amendment led to changes only in the presentation of the Consolidated Statement of Total Comprehensive Income.

- **IFRS 13, "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013**). IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The required disclosures due to the adoption of IFRS 13 are presented in note 5 of the consolidated interim condensed financial information.

- **IFRIC Interpretation 20, "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after 1 January 2013).** This interpretation provides guidance for the accounting of waste removal costs that are incurred in surface mining activity during the production phase of a mine ("production stripping costs").

- **IFRS 7 (Amendment), "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities " (effective for annual periods beginning on or after 1 January 2013).** Amendments to IFRS 7 were issued in December 2011 to require additional disclosures that will enable users of financial statements to evaluate the effect of netting arrangements.

- **IFRS 1 (Amendments), "Government Loans" (effective for annual periods beginning on or after 1 January 2013).** The amendment issued in March 2012, adds an exception to the retrospective application of IFRSs to require that first-time adopters apply the requirements in IFRS 9 and IAS 20 prospectively to government loans existing at the date of transition to IFRSs. Earlier application is permitted.

Improvements to IFRSs (May 2012)

- **IFRS 1 (Amendment), "First Time Adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 January 2013).** The amendment clarifies the accounting for re-application of IFRS for entities that have stopped applying IFRS in the past and choose or are required to apply IFRS again.

- **IAS 1 (Amendment), "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2013).** The amendment requires notes to the financial statements when additional comparative periods are voluntarily presented.

- **IAS 16 (Amendment), "Property, Plant and Equipment" (effective for annual periods beginning on or after 1 January 2013).** The amendment provides guidance for the classification of major spare parts and servicing equipment as property, plant and equipment.

- **IAS 32 (Amendment), "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2013).** The amendment clarifies that taxes arising from distributions to holders of equity instruments are accounted for in accordance with IAS 12 "Income Taxes".

- **IAS 34 (Amendment), "Interim Financial Reporting" (effective for annual periods beginning on or after 1 January 2013).** The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities to enhance consistency with IFRS 8 "Operating Segments" and to ensure that interim disclosures are aligned with annual disclosures.

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

For the preparation of consolidated financial statements, the Group proceeds to certain accounting estimates and judgements that affect the reported amounts of certain assets and liabilities within the next financial year. Accounting estimates and judgements are continually evaluated based on historical experience as well as on expectations of future events and they are the same with those accounting estimates and judgements adopted and described in the annual consolidated financial statements for the year ended 31 December 2012.

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

b.1. Impairment losses on loans and other receivables

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

b.2. Fair value of derivative financial instruments

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

b.3. Impairment of available for sale portfolio

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 economical performance and changes in technology.

b.4. 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.5. Income taxes

The Group recognizes deferred tax on temporary tax differences, taking into consideration future benefits as well as tax liabilities.

For the calculation and evaluation of the deferred tax asset recoverability, management considers the best estimates for the evolution of the Group´s tax profits in the foreseeable future, in combination with the nature of the temporary tax differences and tax losses and their recoverability based on the Greek tax law in force.

Namely to the Bank, the deferred tax asset of which accounts for the biggest part of the Group´s deferred tax asset, management´s estimates for the evolution of tax profits are based on a series of assumptions, the most important of which relate to the future of the Greek economy and market.

b.6. Goodwill/ negative goodwill

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

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

Note 28 is relevant to the recognition of negative goodwill on the acquisition of a) the banking operations in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank, b) the selected assets and liabilities of former ATEbank S.A. and some of its subsidiaries, as well as c) the Millennium Bank Group S.A. in the first semester of 2013.

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 2012.

Consolidated interim condensed financial information attached, is expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand. It shall be noted that, the figures of the consolidated interim statement of financial position as at 30/06/2013 are not comparable with the corresponding figures as at 31/12/2012, as Piraeus Bank acquired the banking operations in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank on 26/03/2013, as well as Millennium Bank Group on 19/06/2013. Furthermore, the figures of the consolidated interim income statement for the first semester of 2013 are not comparable with the corresponding figures for the first semester of 2012 as Piraeus Bank acquired a) selected assets and liabilities of former ATEbank S.A. and some of its subsidiaries on 27/07/2012, b) Geniki Bank Group S.A. on 14/12/2012, c) the banking operations in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank on 26/03/2013 and d) Millennium Bank Group on 19/06/2013. Namely to the profit or loss for the first semester of 2013, the aforementioned acquisitions mainly affected net interest income and staff costs, as well as administrative cost.

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

The economic situation in Greece, though improving fiscally, still remains the main risk factor for the Greek banking sector in general. In case of negative developments in this area, the Bank's liquidity, the quality of its loan portfolio, its profitability, and ultimately, its capital adequacy may significantly be affected.

Greece's public debt sustainability consists an additional risk factor for the Greek banking system. Moreover, the country's economic adjustment programme continues to entail a significant execution risk. At the same time, both the risks of a deceleration in the global economic growth and of the debt crisis in other peripheral European economies are also added to the external factors of uncertainty.

The completion of the share capital increase of Piraeus Bank in the second quarter of 2013 resulted in the enhancement of its capital base and the restoration of the EBA Core Tier I at a level much higher than the minimum required (9%). From the total amount raised for the share capital increase, approximately €1.4 billion was covered by private investors and € 7 billion by the EFSF.

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

- The completion of the recapitalisation programme of systemic banks.
- The availability of additional capital, in case this is required for the further recapitalisation of the Greek banks and for the reorganization of the banking sector (the total amount of capital to be provided to the EFSF for the support of the Greek banking system is € 50 billion).
- The financial support mechanism from the International Monetary Fund as well as from the European Union.
- The capability to raise liquidity through the Eurosystem.
- The intention of Greek Authorities to strengthen the Greek economy.

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

Amounts in thousand euros (Unless otherwise stated)

4 Credit risk of loans and advances

The Group selected to disclose the credit risk exposure for loans and advances to customers due to the acquisition of the Greek operations of the three Cypriot banks and specifically, due to the acquisition of the loans and advances to customers at their fair values. Furthermore, the Group has not changed its risk management policies during the 1st semester of 2013.

Loans and advances to customers and to credit institutions and debt securities - receivables, are summarised as follows:

	30 June 2013				
	Loans and advances to customers and adjustments	Individually impaired allowance for impairment of loans and advances	Collective allowance for impairment of loans and advances	Adjustments of opening balances at acquisition date	**Net Loans and advances to customers and adjustments**
A) Loans and advances neither past due or impaired	35,040,404	-	(215,808)	134,335	**34,958,931**
B) Loans Past due but not impaired	18,761,076	-	(272,861)	(1,308,004)	**17,180,211**
C) Impaired loans and advances	21,644,410	(3,272,749)	(996,407)	(6,197,551)	**11,177,704**
Total	**75,445,891**	**(3,272,749)**	**(1,485,075)**	**(7,371,221)**	**63,316,846**

	31 December 2012				
	Loans and advances to customers and adjustments	Individually impaired allowance for impairment of loans and advances	Collective allowance for impairment of loans and advances	Adjustments of opening balances at acquisition date	**Net Loans and advances to customers and adjustments**
A) Loans and advances neither past due or impaired	26,956,387	-	(68,953)	(65,218)	**26,822,216**
B) Loans Past due but not impaired	12,767,537	-	(415,678)	(625,824)	**11,726,034**
C) Impaired loans and advances	10,849,385	(2,506,068)	(842,265)	(1,436,617)	**6,064,435**
Total	**50,573,309**	**(2,506,068)**	**(1,326,896)**	**(2,127,659)**	**44,612,686**

	30 June 2013	**31 December 2012**
Debt securities-receivables	15,803,495	8,039,843
Less: Allowance for impairment for debt securities - receivables	(23,846)	(23,846)
Net	**15,779,650**	**8,015,997**

	30 June 2013		31 December 2012	
	Loans and advances to credit institutions	Reverse repos with customers	Loans and advances to credit institutions	Reverse repos with customers
A) Loans and advances neither past due or impaired	339,266	23,873	380,384	35,924
B) Loans Past due but not impaired	-	-	-	-
C) Impaired loans and advances	-	-	-	-
Total	**339,266**	**23,873**	**380,384**	**35,924**

"Adjustment for opening balances at acquisition date" relates mainly to allowance for impairment for loans of companies of former ATEbank, Geniki Bank Group and acquisition of the Greek banking operations of Cypriot Banks (Bank of Cyprus, Popular Bank of Greece, Hellenic Bank) and Millennium Bank S.A.. The aforementioned allowance for impairment has been included in the adjustment of loans and advances to customers to fair value according to the provisions of IFRS 3. It is noted that in note 15 'Loans and advances to customers and debt securities – receivables' the adjustment has decreased the balance of loans and advances to customers before provisions and it is not included in the allowance for impairment on loans and advances to customers. However for purposes of monitoring credit risk and for disclosure purposes according to IFRS 7, the aforementioned adjustment does not affect the balances of loans and advances before provisions, as the Group has not stopped monitoring the adjustment of loans nominal value as part of the provisions.

An analysis of the adjustment at the acquisition date per category of loans is provided below:

	30 June 2013	**31 December 2012**
Loans to individuals	**(1,777,367)**	**(704,610)**
Mortgages	(348,663)	(242,059)
Consumer/ personal loans	(1,104,909)	(275,559)
Credit cards	(323,795)	(186,991)
Corporate loans	**(5,593,853)**	**(1,423,049)**
Total adjustment	**(7,371,221)**	**(2,127,659)**

The categorization of credit risk according to IFRS 7 is analyzed below in values before provisions and adjustments.

a) Loans neither past due or impaired:

Loans and advances to customers

30 June 2013	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
Grades	Credit cards	Consumer/ personal loans	Mortgages		
Standard monitoring	744,032	2,362,377	11,245,258	13,328,181	27,679,849
Special monitoring	-	-	-	7,360,555	7,360,555
Total	**744,032**	**2,362,377**	**11,245,258**	**20,688,736**	**35,040,404**

Amounts in thousand euros (Unless otherwise stated)

31 December 2012	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
Grades	Credit cards	Consumer/ personal loans	Mortgages		
Standard monitoring	582,527	1,973,919	8,162,269	11,326,193	22,044,909
Special monitoring	-	-	-	4,911,478	4,911,478
Total	**582,527**	**1,973,919**	**8,162,269**	**16,237,671**	**26,956,387**

Loans and advances to credit institutions

Grades	**30 June 2013**	**31 December 2012**
Investment grade	2,185	27,615
Standard monitoring	296,414	350,215
Special monitoring	40,667	2,554
Total	**339,266**	**380,384**

Reverse repos with customers

Grades	**30 June 2013**	**31 December 2012**
Standard monitoring	23,873	35,924
Total	**23,873**	**35,924**

b) Loans and advances past due but not impaired:

30 June 2013	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
	Credit cards	Consumer/ personal loans	Mortgages		
Past due 1 - 90 days	111,720	982,733	2,943,715	6,689,903	10,728,071
Past due 91 - 180 days	33,497	223,946	578,871	1,243,750	2,080,064
Past due > 180 days	-	-	1,337,177	4,615,765	5,952,942
Total	**145,217**	**1,206,679**	**4,859,763**	**12,549,417**	**18,761,076**
Fair value of collateral	137	360,992	4,265,487	6,470,361	**11,096,978**

The fair value of collateral reflects the realizable value of specific collateral only (tangible, deposits, listed shares, mutual funds, counter guarantees of banks, cheques, bills of exchange, shipping documents, vested receivables from the transfer of contracts, in which personal and corporate guarantees are not included), after the application of haircuts according to the Group's credit policy.

31 December 2012	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
	Credit cards	Consumer/ personal loans	Mortgages		
Past due 1 - 90 days	111,909	671,810	2,250,900	5,408,221	8,442,841
Past due 91 - 180 days	35,885	138,968	501,909	593,336	1,270,098
Past due > 180 days	-	-	846,795	2,207,804	3,054,599
Total	**147,794**	**810,778**	**3,599,604**	**8,209,361**	**12,767,537**
Fair value of collateral	64	221,521	3,324,745	4,376,616	**7,922,946**

c) Loans and advances impaired:

30 June 2013	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
	Credit cards	Consumer/ personal loans	Mortgages		
Impaired loans	724,013	2,775,018	2,386,224	15,759,155	**21,644,410**
Fair value of collateral	7	340,398	2,007,723	5,096,732	**7,444,859**

31 December 2012	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
	Credit cards	Consumer/ personal loans	Mortgages		
Impaired loans	477,665	1,287,919	951,583	8,132,218	**10,849,385**
Fair value of collateral	120	123,096	740,507	3,192,402	**4,056,124**

Amounts in thousand euros (Unless otherwise stated)

5 Fair values of financial assets and liabilities

a) Financial assets and liabilities not held at fair value:

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

	Carrying Value		Fair Value	
	30 June 2013	**31 December 2012**	**30 June 2013**	**31 December 2012**
Financial assets				
Loans and advances to credit institutions	339,266	380,384	404,932	380,384
Loans and advances to customers (net of provisions)	63,316,846	44,612,686	63,222,665	44,566,217
-Loans to individuals	23,398,010	16,118,688	23,436,770	16,102,893
-Loans to corporate entities	39,918,836	28,493,998	39,785,895	28,463,324
Debt securities - receivables	15,779,650	8,015,997	15,609,208	7,664,643
Reverse repos with customers	23,873	35,924	23,865	35,917
Held to maturity investment securities	73,974	74,006	73,844	74,006
Financial liabilities				
Due to credit institutions	27,430,451	32,561,322	27,429,158	32,562,806
Due to customers	54,733,284	36,971,208	54,722,397	36,970,560
Debt securities in issue	404,091	533,702	280,071	389,228
Hybrid capital and other borrowed funds	256,269	324,141	137,628	154,826

The fair value for the 1st semester of loans and advances to credit institutions, loans and advances to customers (net of provisions), repurchase agreements, due to credit institutions and due to customers which are measured at amortized cost, are not materially different from the respective carrying values since they bear mainly floating interest rates and as a result being re-priced at regular time periods.

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

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

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

b) Financial assets and liabilities held at fair value:

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

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

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

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

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

The following tables present financial assets and liabilities measured at fair value, categorized in the three levels mentioned above, reconciliation of level 3 items for the 1st semester and sensitivity analysis:

Amounts in thousand euros (Unless otherwise stated)

Financial Assets & Liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Derivative financial instruments - assets	565	454,376	-	454,941
Trading portfolio				
-Trading bonds	167,232	42,811	-	210,043
-Trading treasury bills	15,688	-	-	15,688
-Shares & other variable income securities	4,907	14	-	4,921
Financial Assets at FV through PL				
-Shares & other variable income securities	12,943	-	-	12,943
Available for Sale Securities				
-Trading bonds	990,204	119,999	-	1,110,203
-Shares & other variable income securities	226,277	10,510	217,929	454,716
-Treasury bills	1,181,694	80,979	-	1,262,673
Financial Liabilities				
-Liabilities at fair value through profit or loss	-	-	-	0
-Derivative financial instruments - liabilities	65	457,701	-	457,766

Reconciliation of Level 3 items	**Shares & Other variable Income securities**
Opening balance	269,301
Profit/ (loss) of the period	(930)
Purchases and share capital increases	14,823
Impairment	(17,454)
Disposals	(5,031)
FX differences	(231)
Other income	(111)
Tranfers to level 3	14,015
Tranfers from level 3	(56,452)
Total	**217,929**

“Transfers from level 3” refer to a company which was transferred to the associate companies portfolio from the available for sale portfolio in the second quarter of 2013, due to the Bank’s significant influence.

The Group takes into account factors such as the economic conditions of the country in which the company is located, estimations for the future progress of the industry in which the company operates, as well as the future profitability of the company, in order to estimate the change in the fair value of the Group participations within level 3. The following table presents the sensitivity analysis of level 3:

Sensitivity Analysis of Level 3 measuraments to alternative assumptions, reflected in:	**Favourable changes**	**Unfavourable changes**
Income Statement		
Available for sale securities	-	(34,578)
Equity Statement		
Available for sale securities	10,177	-

During the 1st Semester of 2013, no significant transfers from Level 1 to Level 2 and vice versa took place .

6 Capital adequacy

Weighted assets increased as a result of the acquisitions that took place in the first semester of 2013. At the same time regulatory capital increased due to the completion of the share capital increase and the negative goodwill recognized on acquisitions, resulting in a capital adequacy ratio of 14.0% as at 30/6/2013 compared to 9.7% as at 31/12/2012. A table presenting the calculation of capital adequacy ratio follows:

	30 June 2013	**31 December 2012**
Total Core Tier I capital	8,293,803	3,956,953
Total Tier I capital	8,312,603	4,016,869
Total Tier II capital	106,638	188,765
Regulatory capital	**8,419,241**	**4,205,634**
Total risk weighted assets (on and off-balance sheet items)	**60,150,513**	**43,175,453**
Core ratioTier I capital	13.8%	9.2%
Tier I ratio	13.8%	9.3%
Total Capital Adequacy ratio	14.0%	9.7%

Amounts in thousand euros (Unless otherwise stated)

7 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 2013	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Group (Continuing operations)	Discontinued operations
Net interest income	453,399	282,567	(2)	82,512	(83,880)	-	**734,596**	733,672	924
Net fee and commision income	71,573	29,079	356	6,819	13,942	-	**121,769**	121,786	(18)
Net revenues	533,231	329,655	360	135,956	3,804,677	-	**4,803,879**	4,766,032	37,847
Segment results	(976,952)	(44,094)	(1,099)	81,385	3,920,903	-	**2,980,144**	2,957,386	22,758
Share of results of associates							**(3,932)**	(3,932)	0
Results before tax							**2,976,212**	**2,953,454**	**22,758**
Income tax							**549,406**	551,020	(1,614)
Results after tax							**3,525,618**	**3,504,474**	**21,145**
Other segment items									
Capital expenditure	66,484	4,340	91	492	40,388	-	**111,795**	111,435	360
Depreciation and amortisation	28,883	405	59	911	30,928	-	**61,186**	60,264	922
Provisions and impairment	738,489	316,006	-	-	110,018	-	**1,164,513**	1,164,513	0

At 30 June 2013	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Group (Continuing operations)	Discontinued operations
Segment assets	46,591,626	19,710,939	9,408	21,934,657	6,779,524	-	**95,026,154**	94,682,842	343,312
Segment liabilities	49,715,263	3,656,939	342,297	29,511,309	2,337,971	-	**85,563,779**	84,975,569	588,210

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 commision 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	(378,236)	(56,541)	(6,791)	(376,362)	(41,564)	-	**(859,494)**	(863,639)	4,144
Share of results of associates							**(10,906)**	(10,906)	0
Results before tax							**(870,400)**	**(874,544)**	**4,144**
Income tax							**513,075**	514,526	(1,450)
Results after tax							**(357,325)**	**(360,019)**	**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 31 December 2012	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Group (Continuing operations)	Discontinued operations
Segment assets	37,310,303	9,235,262	78,497	16,912,222	6,872,193	-	**70,408,477**	70,031,327	377,150
Segment liabilities	32,924,871	2,656,822	366,317	33,612,463	3,172,311	-	**72,732,784**	72,127,130	605,654

Negative goodwill due to the acquisition of the Greek banking operations of the three Cypriot banks, of the acquired assets and liabilities of former ATEbank, of Geniki Bank S.A. and of Millennium Bank S.A. (note 28) is included in lines "Net Income" and "Segment Results" of other business segments. Regarding results before tax of other business segments, there is no sector that contributes more than 10%.

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

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

Amounts in thousand euros (Unless otherwise stated)

8 Net trading income

Net trading income amounts to € 55.6 million gain for the period 1/1-30/6/2013, arising mainly from the buyback of hybrid capital (Tier 1) and subordinated debt (Lower Tier 2).

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

The period 1/1-30/6/2013 includes the results of ATE Insurance S.A. and ATE Insurance Romania S.A., for which the sale process is in progress. The period of 1/1-30/6/2012 includes the results of Marathon Banking Corporation that was transfered already in 2012.

	1/1-30/6/2013	1/1-30/6/2012	1/4-30/6/2013	1/4-30/6/2012
Net interest income	924	11,949	465	6,188
Net fee and commission income	(18)	531	(6)	274
Dividend Income	6	59	6	30
Net trading income	3,399	-	2,809	-
Other operating income	33,536	279	16,970	143
Total net income	**37,847**	**12,818**	**20,243**	**6,635**
Staff costs	(8,746)	(4,485)	(4,532)	(2,237)
Administrative expenses	(5,418)	(3,419)	(3,239)	(1,765)
Depreciation and amortization	(922)	(770)	(466)	(387)
Profit/ (loss) from sale of assets	(1)	-	(5)	-
Total operating expenses	**(15,088)**	**(8,674)**	**(8,242)**	**(4,389)**
Profit before income tax	**22,758**	**4,144**	**12,002**	**2,247**
Income tax	(1,614)	(1,450)	(3,032)	(786)
Profit after income tax from discontinued operations	**21,145**	**2,694**	**8,970**	**1,460**

10 Income tax

	1st Semester 2013	1st Semester 2012
Current Tax	(6,055)	(7,277)
Deferred tax	558,785	522,964
Provisions for tax differences	(1,711)	(1,161)
	551,020	**514,526**

By virtue of Law 3943/2011 (Greek Government Gazette A' 66/31.3.2011), the corporate income tax rate of legal entities in Greece for the periods commencing from 1/1/2011 and thereon, is 20% and the withholding tax rate imposed on distributed profits of legal entities is 25%.

In accordance with the regulations of the Greek Tax Law 4110/23.1.2013, for the years from 01/01/2013 and thereon, the income tax rate for legal entities increased (from 20% to 26%) whereas the tax rate for dividends distribution decreased (from 25% to 10%) for profits distribution which will be approved from 01/01/2014 and thereon. The above change of the tax rate had a positive effect on the current period results (taxes) of approximately €0.5 billion (1st quarter of 2013), equally increasing the amount of deferred tax, recognized in financial statements.

For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the years of 2012 and 2013 (Bulgaria: 10%, Romania: 16%, Egypt: 20% for net income not exceeding 10.000.000 EGP and 25% for net income exceeding the above amount, Serbia: 15% for 2013 and 10% for 2012, Ukraine: 19% for 2013 and 21% for 2012, Cyprus: 12.5% for 2013 and 10% for 2012, Albania: 10% and United Kingdom: 23% from 01/04/2013 and 24% for 2012 until 31/03/2013).

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 liabilities/assets liabilities in the period in which the tax computation is finalised.

The deferred tax, estimated from the 1st quarter of 2013 by applying the new (increased) tax rate for the Bank and its Greek subsidiary companies, is mainly due to tax losses of previous fiscal years as well as to the participation of the Bank in the PSI program in the year 2012. The Bank has recognized deferred tax for the total amount of its tax losses, based on the best estimates of the Management for the future evolution of the Bank's tax results which were based on the restructuring plan.

Also, It shall be noted that in accordance with the regulations of the Law 4110/23.1.2013 in the Greek Tax system, the losses of legal entities, arising from the exchange of Greek Government bonds or corporate bonds guaranteed by the Hellenic Republic, under application of the program for participation in the restructuring of Greek debt, are deductible from gross income in 30 equal annual installments commencing from the year that exchange of securities took place.

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2010 have been finalized. The audit of the Bank from respective tax authorities for the year 2010 was recently completed and a total amount of €4 million in income tax has been paid. The above amount did not affect the results of the 1st semester 2013 since a relevant provision was raised in previous years. The unaudited tax years of the subsidiaries and associates are included in note 17. In respect of the unaudited tax years, a relevant provision has been raised according to International Financial Reporting Standards (IFRS).

In accordance with the article 82 of Law 2238/94, for the year 2011 and thereafter, the statutory auditors and audit firms conducting statutory audits to a SocieteAnonyme (AE), that operate in Greece, are obliged to issue an Annual Tax Certificate (Tax Compliance Report) on the implementation of tax provisions on tax issues. Provided there is no qualification or other material findings result, every year will be considered as final, for tax audit purposes, eighteen months after the submission of the Tax Compliance Report to the Ministry of Finance.

Amounts in thousand euros (Unless otherwise stated)

For the year 2012, the tax audit for the issuance of the bank's Tax Compliance Report by PricewaterhouseCoopers S.A is in progress, with no material findings to be expected.

11 Earnings/ (losses) per share

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

Basic and diluted earnings/ (losses) per share from continuing operations	**1/1-30/6/2013**	**1/1-30/6/2012**	**1/4-30/6/2013**	**1/4-30/6/2012**
Profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	3,508,923	(355,179)	(107,738)	(401,017)
Weighted average number of ordinary shares in issue	158,086,229	114,933,381	205,114,666	114,923,270
Basic and diluted earnings/ (losses) per share (in euros) from continuing operations	22.1963	(3.0903)	(0.5253)	(3.4894)

Basic and diluted earnings per share from discontinued operations	**1/1-30/6/2013**	**1/1-30/6/2012**	**1/4-30/6/2013**	**1/4-30/6/2012**
Profit attributable to ordinary shareholders of the parent entity from discontinued operations	21,145	2,654	8,970	1,439
Weighted average number of ordinary shares in issue	158,086,229	114,933,381	205,114,666	114,923,270
Basic and diluted earnings per share (in euros) from discontinued operations	0.1338	0.0231	0.0437	0.0125

According to the requirements of IAS 33, the weighted average number of shares has been adjusted for the comparative period from 1/1/2012 - 30/6/2012 by a 1.0057 factor, in order to adjust earnings/ (losses) per share for the discount price of the rights issue of the share capital increase. Comparative period has been also adjusted by a factor 1/10 in order to adjust earnings/ (losses) per share for the reverse split (note 25).

12 Analysis of other comprehensive income

A. Continuing operations

1/1-30/6/2013	**Before-Tax amount**	**Tax**	**Net-of-Tax amount**
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	33,521	(13,059)	20,462
Change in currency translation reserve	6,598	-	6,598
Amounts that can not be reclassified in the Income Statement			
Change in acturial gain/ (losses) at the defined benefit obligations	-	-	0
Other comprehensive income from continuing operations	**40,119**	**(13,059)**	**27,060**
1/1-30/6/2012			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	46,421	(9,387)	37,034
Change in currency translation reserve	(10,482)	-	(10,482)
Amounts that can not be reclassified in the Income Statement			
Change in acturial gain/ (losses) at the defined benefit obligations	-	-	0
Other comprehensive income from continuing operations	**35,939**	**(9,387)**	**26,552**

B. Discontinued operations

1/1-30/6/2013	**Before-Tax amount**	**Tax**	**Net-of-Tax amount**
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	2,307	-	2,307
Change in currency translation reserve	(31)	-	(31)
Amounts that can not be reclassified in the Income Statement			
Change in acturial gain/ (losses) at the defined benefit obligations	-	-	0
Other comprehensive income from discontinued operations	**2,276**	**0**	**2,276**
1/1-30/6/2012			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	123	(47)	76
Change in currency translation reserve	702	-	702
Amounts that can not be reclassified in the Income Statement			
Change in acturial gain/ (losses) at the defined benefit obligations	-	-	0
Other comprehensive income from discontinued operations	**825**	**(47)**	**778**

13 Cash and balances with Central Banks

	30 June 2013	**31 December 2012**
Cash in hand	755,622	779,859
Nostros and sight accounts with other banks	551,425	481,423
Balances with Central banks	401,182	725,588
Cheques clearing system - Central Banks	336,682	103,000
Blocked deposits	991,846	769,779
Mandatory reserves with Central Banks	401,145	447,854
	3,437,904	**3,307,503**

Mandatory reserves with the Central Banks and blocked deposits are not available for daily banking operations by the Group.

Amounts in thousand euros (Unless otherwise stated)

14 Financial assets at fair value through profit or loss

	30 June 2013	31 December 2012
Trading securities		
Greek government bonds	19,146	5,416
Foreign government bonds	190,897	323,683
Corporate entities bonds	-	95
Bank bonds	-	56
Greek government treasury bills	15,688	21,318
Total	**225,731**	**350,569**
Athens stock exchange listed shares	4,901	11,628
Foreign stock exchanges listed shares	6	6
Mutual funds	14	666
Total	**4,921**	**12,299**
Total trading securities	**230,652**	**362,868**
Other financial assets at fair value through profit or loss	**12,943**	**7,833**

15 Loans and advances to customers and debt securities - receivables

A) Loans and advances to customers	30 June 2013	31 December 2012
Mortgages	18,142,583	12,471,397
Consumer/ personal and other loans	5,239,165	3,797,057
Credit cards	1,289,467	1,020,994
Loans to individuals	**24,671,214**	**17,289,448**
Loans to corporate entities/ Public sector	**43,403,456**	**31,156,201**
Total loans and advances to customers	**68,074,670**	**48,445,650**
Less: Allowance for impairment on loans and advances to customers	(4,757,823)	(3,832,964)
Total loans and advances to customers	**63,316,846**	**44,612,686**

Please note that the amounts of loans have been amended by fair value adjustment, in the context of the purchase price allocation exercise of the operations acquired. The relevant adjustments incurred as at acquisition date are presented in note 4.

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

	Mortgages	Consumer/ personal loans	Credit cards	**Total loans to individuals**	**Loans to corporate entities/ Public sector**	**Total**
Opening balance at 1/1/2012	**126,034**	**579,989**	**153,232**	**859,256**	**2,193,144**	**3,052,399**
Opening balance for Egypt companies (discontinued operations for the year 2011)	13	13,185	4,674	**17,872**	70,193	**88,065**
Opening balance from discontinued operations	(538)	(10)	-	**(547)**	(6,603)	**(7,150)**
Charge for the period from continuing operations	28,430	115,769	4,791	**148,991**	626,303	**775,294**
Loans written-off from continuing operations	(8,190)	(25,335)	(4,442)	**(37,966)**	(569,814)	**(607,780)**
Foreign exchange differences from continuing operations	197	(522)	-	**(324)**	2,956	**2,632**
Closing balance at 30/6/2012	**145,947**	**683,077**	**158,256**	**987,280**	**2,316,180**	**3,303,460**
Opening balance at 1/7/2012	**145,947**	**683,077**	**158,256**	**987,280**	**2,316,180**	**3,303,460**
Charge for the period from continuing operations	45,142	117,269	41,546	**203,958**	977,618	**1,181,575**
Writte offs of loans from continuing operations	(752)	(8,282)	(8,557)	**(17,591)**	(610,968)	**(628,559)**
Foreign exchange differences from continuing operations	(169)	(2,268)	(450)	**(2,886)**	(10,291)	**(13,177)**
Other movements of continuing operations	-	-	-	**0**	(10,335)	**(10,335)**
Closing balance at 31/12/2012	**190,168**	**789,795**	**190,796**	**1,170,759**	**2,662,203**	**3,832,964**
Opening balance at 1/1/2013	**190,168**	**789,795**	**190,796**	**1,170,759**	**2,662,203**	**3,832,964**
Charge for the period from continuing operations	30,336	82,454	25,532	**138,322**	911,981	**1,050,302**
Writte offs of loans from continuing operations	(3,021)	(23,160)	(5,976)	**(32,156)**	(74,863)	**(107,019)**
Foreign exchange differences from continuing operations	53	(2,630)	(317)	**(2,895)**	(4,483)	**(7,377)**
Unwinding of interest	-	-	-	**0**	(11,046)	**(11,046)**
Closing balance at 30/6/2013	**217,536**	**846,459**	**210,036**	**1,274,031**	**3,483,792**	**4,757,824**

Amounts in thousand euros (Unless otherwise stated)

''Impairment losses on loans, debt securities and other receivables'' in the Income Statement for the period 1/1-30/6/2013 includes an amount of € 43.1 million that relates to impairment losses on other receivables and an amount of € 4.2 million that relates to loans written-off directly in the income statement.

B) Debt securities - receivables	**30 June 2013**	**31 December 2012**
Corporate entities debt securities - receivables	4,782	4,740
Bank debt securities - receivables	23,846	23,846
Greek government bonds debt securities - receivables	1,431,048	1,415,002
Foreign government bonds debt securities - receivables	14,343,820	6,596,255
Total debt securities - receivables	**15,803,495**	**8,039,843**
Less: Allowance for impairment on debt securities - receivables	(23,846)	(23,846)
Debt securities - receivables (less allowances for losses)	**15,779,650**	**8,015,997**

Debt securities - receivables as at 30/6/2013 include Greek Government Bonds of nominal value € 1,457 million, which were issued according to the requirements of Law 3723/2008 "Enhancement of the Greek economy's liquidity". From these, debt securities with nominal value of € 782 million were transferred to Piraeus Bank in order to cover the issuance of Piraeus Bank's preference shares to the Greek State of amount € 370 million in 2009 and € 380 million in 2011. Additionally, securities of € 675 million face value were acquired by the Bank in the context of the transfer of selected assets and liabilities of former ATEbank. The book value of the aforementioned securities amounted to € 1,431 million as at 30/6/2013.

Foreign government bonds include bonds issued by the European Financial Stability Fund (EFSF) of € 7,295 million, which the Bank received under the transfer agreement of selected assets and liabilities of the former ATEbank. In the aforementioned category are also included bonds of the same issuer amounting to € 6,848 million, which the Bank received as a result of the participation of the Greek Financial Stability Fund in the share capital increase of Piraeus Bank. The book value of the above mentioned debt securities amounted to € 14,303 million as at 30/6/2013.

16 Investment securities

Available for sale securities	**30 June 2013**	**31 December 2012**
Bonds and other fixed income securities		
Greek government bonds	143,447	70,544
Foreign government bonds and EFSF bonds	817,976	826,495
Corporate entities bonds	146,936	339,503
Bank bonds	1,844	96,963
Greek government treasury bills	1,178,349	2,871,679
Foreign government treasury bills	84,324	134,555
Total (A)	**2,372,875**	**4,339,739**
Shares and other variable income securities		
Athens stock exchange listed shares	153,073	150,429
Foreign stock exchanges listed shares	24,862	26,008
Unlisted shares	177,249	237,942
Mutual funds	53,892	52,593
Other variable income securities	45,641	29,763
Total (B)	**454,716**	**496,736**
Total available for sale securities (A) + (B)	**2,827,592**	**4,836,475**

Held to maturity	**30 June 2013**	**31 December 2012**
Foreign government bonds	66,990	66,505
Corporate entities bonds	5,525	7,501
Bank bonds	1,460	-
Total held to maturity	**73,974**	**74,006**

Amounts in thousand euros (Unless otherwise stated)

17 Investments in subsidiaries and associate companies

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

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

s/n	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.48%	Albania	2012
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania	2007-2012
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia	2006-2012
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria	2010-2012
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.30%	Egypt	2003-2012
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine	2011-2012
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus	2007-2012
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	2003-2012
10.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010-2012
11.	Tirana Leasing S.A.	Finance leases	100.00%	Albania	2012
12.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece	2010-2012
13.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom	-
14.	Piraeus Leasing Bulgaria EAD	Finance leases	100.00%	Bulgaria	2008-2012
15.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom	2011-2012
16.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2010-2012
17.	Picar S.A.	City Link areas management	100.00%	Greece	2010-2012
18.	Bulfina S.A.	Property management	100.00%	Bulgaria	2008-2012
19.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece	2010-2012
20.	Pireaus Direct Services S.A.	Call center services	100.00%	Greece	2010-2012
21.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece	2010-2012
22.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2011-2012
23.	ND Development S.A.	Property management	100.00%	Greece	2010-2012
24.	Property Horizon S.A.	Property management	100.00%	Greece	2010-2012
25.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece	2010-2012
26.	Piraeus Development S.A.	Property management	100.00%	Greece	2010-2012
27.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece	2010-2012
28.	Piraeus Buildings S.A.	Property development	100.00%	Greece	2010-2012
29.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
30.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.89%	Cyprus	2006-2012
31.	Lakkos Mikelli Real Estate LTD	Property management	50.66%	Cyprus	2009-2012
32.	Philoktimatiki Public LTD	Land and property development	53.31%	Cyprus	2009-2012
33.	Philoktimatiki Ergoliptiki LTD	Construction company	53.31%	Cyprus	2008-2012
34.	New Evolution S.A.	Property, tourism & development company	100.00%	Greece	2010-2012
35.	EMF Investors Limited	Investment company	100.00%	Cyprus	2008-2012
36.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2011-2012
37.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	100.00%	Greece	2005-2012
38.	Sunholdings Properties Company LTD	Land and property development	26.66%	Cyprus	2008-2012
39.	Polytropon Properties Limited	Land and property development	39.98%	Cyprus	2008-2012
40.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
41.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
42.	Piraeus Insurance Brokerage EOOD	Insurance brokerage	99.98%	Bulgaria	2007-2012
43.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
44.	Piraeus Egypt Leasing Co.	Finance leases	98.30%	Egypt	2007-2012
45.	Piraeus - Egypt Asset Management Co.	Property administration	98.30%	Egypt	2005-2012
46.	Piraeus Egypt for Securities Brokerage Co.	Stock exchange operations	98.30%	Egypt	2007-2012
47.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and reinsurance brokerage	100.00%	Romania	2009-2012
48.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007-2012
49.	Piraeus Leases S.A.	Finance leases	100.00%	Greece	2007-2012
50.	Orion Energy Photovoltaics S.A.	PV Solar projects development	65.00%	Greece	2007-2012
51.	Astraios Energy Photovoltaics S.A.	PV Solar projects development	65.00%	Greece	2007-2012
52.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2009-2012
53.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases- Rent-a-Car and long term rental of vehicles	94.98%	Greece	2009-2012
54.	Piraeus Rent Doo Beograd	Operating Leases	100.00%	Serbia	2007-2012
55.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
56.	Piraeus Leasing Doo Beograd	Finance leases	100.00%	Serbia	2007-2012
57.	Piraeus Real Estate Consultants Doo	Construction company	100.00%	Serbia	2008-2012
58.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2012
59.	Piraeus Real Estate Egypt LLC	Property management	100.00%	Egypt	2007-2012
60.	Piraeus Bank Egypt Investment Company	Investment company	98.28%	Egypt	2007-2012
61.	Piraeus Insurance Agency S.A.	Insurance - agency	100.00%	Greece	2008-2012

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% holding	Country	Unaudited tax years
62.	Piraeus Capital Management S.A.	Venture capital fund	100.00%	Greece	2010-2012
63.	Piraeus Insurance Brokerage Egypt	Insurance brokerage	96.33%	Egypt	2008-2012
64.	Integrated Services Systems Co.	Warehouse & mail distribution management	97.31%	Egypt	2004-2012
65.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
66.	Piraeus Wealth Management A.E.P.E.Y.	Wealth management	65.00%	Greece	2010-2012
67.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
68.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
69.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
70.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
71.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-
72.	PROSPECT N.E.P.A.	Yachting management	100.00%	Greece	-
73.	R.E Anodus LTD	Consultancy serv. for real estate develop. and inv.	100.00%	Cyprus	2009-2012
74.	Pleiades Estate S.A.	Property management	100.00%	Greece	2010-2012
75.	Solum Ltd Liability Co.	Property management	99.00%	Ukraine	2009-2012
76.	Piraeus (Cyprus) Insurance Brokerage Ltd	Insurance brokerage	100.00%	Cyprus	2009-2012
77.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	2010-2012
78.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010-2012
79.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus	2011-2012
80.	Piraeus Equity Advisors Ltd.	Investment advise	100.00%	Cyprus	2009-2012
81.	Achaia Clauss Estate S.A.	Property management	74.76%	Greece	2010-2012
82.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2009-2012
83.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
84.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-
85.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2009-2012
86.	Curdart Holding Ltd	Holding company	100.00%	Cyprus	2009-2012
87.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010-2012
88.	Piraeus Clean Energy Holdings LTD	Holding Company	100.00%	Cyprus	2010-2012
89.	Visa Rent A Car S.A.	Rent A Car company	94.98%	Greece	2010-2012
90.	Adflikton Investments LTD	Property Management	100.00%	Cyprus	2009-2012
91.	Cospleon Investments LTD	Property Management	100.00%	Cyprus	2010-2012
92.	Cutsofiar Enterprises LTD	Property Management	100.00%	Cyprus	2010-2012
93.	Gravieron Company LTD	Property Management	100.00%	Cyprus	2008-2012
94.	Kaihur Investments LTD	Property Management	100.00%	Cyprus	2007-2012
95.	Pertanam Enterprises LTD	Property Management	100.00%	Cyprus	2007-2012
96.	Rockory Enterprises LTD	Property Management	100.00%	Cyprus	2010-2012
97.	Topuni Investments LTD	Property Management	100.00%	Cyprus	2007-2012
98.	Albalate Company LTD	Property Management	100.00%	Cyprus	2011-2012
99.	Akimoria Enterprises LTD	Property Management	100.00%	Cyprus	2011-2012
100.	Alarconarco Enterprises LTD	Property Management	100.00%	Cyprus	2011-2012
101.	Kosmopolis A' Shopping Centers S.A.	Shopping Center's Management	100.00%	Greece	2010-2012
102.	Parking Kosmopolis S.A.	Parking Management	100.00%	Greece	2010-2012
103.	Zibeno Investments Ltd	Holding Company	83.00%	Cyprus	2011-2012
104.	Bulfinace E.A.D.	Property Management	100.00%	Bulgaria	2008-2012
105.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	83.00%	Greece	2012
106.	Asset Management Bulgaria EOOD	Travel - rental services and property management	100.00%	Bulgaria	2012
107.	Arigeo Energy Holdings Ltd	Holding Company in Renewable Energy	100.00%	Cyprus	2012
108.	Exus Software Ltd.	IT products Retailer	50.10%	United Kingdom	2012
109.	Proiect Season Residence SRL	Real Estate Development	100.00%	Romania	2012
110.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of Venture Capital Fund	100.00%	Greece	2012
111.	ATE Bank Romania S.A.	Banking activities	93.27%	Romania	2005-2012
112.	KPM Energy S.A.	Energy generation and exploitation through renewable energy resources	80.00%	Greece	2012
113.	Geniki Bank S.A.	Banking activities	99.94%	Greece	2005-2012
114.	Geniki Leasing S.A.	Finance leases	99.94%	Greece	2008-2012
115.	Geniki Financial & Consulting Services S.A.	Financial & Consulting Services	99.94%	Greece	2010-2012
116.	Geniki Insurance Agency S.A.	Insurance Agency	99.94%	Greece	2010-2012
117.	Geniki Information S.A.	Assessment and collection of commercial debts	99.94%	Greece	2010-2012
118.	Solum Enterprise LLC	Property management	99.00%	Ukraine	2012
119.	General Business Management Investitii S.R.L.	Development of Building Projects	100.00%	Romania	-
120.	Centre of Sustainable Entrepreneurship Excelixi S.A. (former Atexcelixi S.A.)	Consulting Services - Hotel - Training & Seminars	100.00%	Greece	2010-2012
121.	Piraeus Bank (Cyprus) Nominees Limited	Defunct	100.00%	Cyprus	2012
122.	Millennium Bank S.A.	Banking activities	100.00%	Greece	2007-2012
123.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece	2010-2012
124.	Millennium A.E.D.A.K.	Mutual funds management	100.00%	Greece	2010-2012
125.	Kion Mortgage Finance Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
126.	Kion Mortgage Finance No.3 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
127.	Kion CLO Finance No.1 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-

Amounts in thousand euros (Unless otherwise stated)

Companies numbered 29, 55, 65, 67-71 and 125-127 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 38 and 39 although presenting less than 50% holding percentage, are included in the Group's subsidiaries' portfolio due to existence of control.

Also, as at 30/6/2013 the companies numbered 28, 40, 41, 52 and 57 were under liquidation.

The subsidiaries that are excluded from the consolidation are as follows: a) "Asbestos Mines S.A.", b) "Hellenic Industry of Aluminum", c) "Oblivio Co. Ltd", d) "ELSYP S.A.", e) "Blue Wings Ltd", f) "Piraeus Bank's Congress Centre", g) "Piraeus Bank Group Cultural Foundation" , h) "Procas Holding Ltd", i) "Torborg Maritime Inc.", j) "Isham Marine Corp.", k) "Cybele Management Company", l) "Alegre Shipping Ltd.", m) "Maximus Chartering Co." and n) "Lantana Navigation Corp.". The companies numbered (a)-(d) are fully depreciated, under liquidation or dissolution status. The financial data of the companies (e)-(g) are included in the financial statements of the parent company Piraeus Bank S.A. and consequently, in the consolidated financial statements. The company numbered (h) has not started operating yet. The companies numbered (i)-(n) have been inactivated and they will be set under liquidation. The consolidation of the above mentioned companies does not affect the financial position and result of the Group.

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	2010-2012
2.	Evros' Development Company S.A.	European community programs management	30.00%	Greece	2010-2012
3.	Project on Line S.A.	Information technology & software	40.00%	Greece	2010-2012
4.	Alexandria for Development & Investment	Investment company	21.63%	Egypt	2008-2012
5.	Nile Shoes Company	Footwear seller- manufacturer	38.67%	Egypt	2003-2012
6.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding Company	27.80%	Greece	2010-2012
7.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2010-2012
8.	Trieris Real Estate LTD	Property management	22.94%	British Virgin Islands	-
9.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece	2010-2012
10.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2010-2012
11.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece	2010-2012
12.	Trastor Real Estate Investment Company	Real estate investment property	33.80%	Greece	2006-2012
13.	Euroterra S.A.	Property management	39.22%	Greece	2010-2012
14.	Rebikat S.A.	Property management	40.00%	Greece	2010-2012
15.	Abies S.A.	Property management	40.00%	Greece	2010-2012
16.	ACT Services S.A.	Accounting and tax consulting	49.00%	Greece	2011-2012
17.	Exodus S.A.	Information technology & software	49.90%	Greece	2010-2012
18.	Good Works Energy Photovoltaics S.A.	Construction & operation PV solar projects	33.15%	Greece	2006-2012
19.	Entropia Ktimatiki S.A.	Property Management	33.30%	Greece	2010-2012
20.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece	-
21.	AIK Banka	Banking activities	20.86%	Serbia	2006-2012
22.	Teiresias S.A.	Inter banking company. Development, operation and management of information systems	23.00%	Greece	2008-2012
23.	PJ Tech Catalyst Fund	Close end Venture capital fund	30.00%	Greece	-
24.	Pyrrichos S.A.	Property management	50.76%	Greece	2010-2012
25.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	21.02%	Greece	2007-2012

The company numbered 20 is included in the associate companies' portfolio, due to the fact that Piraeus Bank Group exercises significant influence on the investment committee of the fund, which takes the investment decisions. The company numbered 18 is under liquidation as at 30/6/2013. The company numbered 24 is included in the associate companies´ portfolio since the Group has significant influence and not control.

The changes in the portfolio of subsidiaries and associates are included in note 29.

As at 30/6/2013, as well as at 31/3/2013, the associate company "Evrytania S.A. Agricultural Development Company" has been excluded from the consolidation since it is under idle status.

C) Subsidiaries from discontinued operations

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

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

18 Other Assets

The decrease in "Other Assets" is mainly due to the contribution by the Hellenic Financial Stability Fund of the due difference of approximately € 0.8 bn that arose from the transfer of selected assets and liabilities of former ATEbank, which had not been paid. The finalization of the perimeter of the transferred items was completed in January 2013 and the payment of the above difference was made during the 1st Quarter of 2013 with bonds of equal value issued by the EFSF, that were classified as "Debt securities – receivables" (Note 15).

Amounts in thousand euros (Unless otherwise stated)

19 Balance sheet - Discontinued operations

The assets and liabilities as at 30/6/2013 and 31/12/2012 concern the companies ATE Insurance S.A and ATE Insurance Romania S.A.:

	30 June 2013	31 December 2012
ASSETS		
Cash and balances with Central Banks	887	1,305
Loans and advances to credit institutions	451	17
Trading securities	7,229	5,058
Available for sale securities	83,398	109,980
Held to maturity	21,086	29,376
Intangible assets	1,032	889
Property, plant and equipment	53,630	54,342
Investment property	2,246	2,246
Deferred tax assets	53,231	50,843
Other assets	120,125	123,094
Total Assets	**343,312**	**377,150**
LIABILITIES		
Retirement benefit obligations	4,240	4,090
Other provisions	540,265	560,386
Current income tax liabilities	-	50
Deferred tax liabilities	16	15
Other liabilities	43,689	41,114
Total Liabilities	**588,210**	**605,654**

20 Due to credit institutions

“Due to credit institutions” includes refinancing operations through repo transactions within the eurosystem amounting to € 16.0 billion (31/12/2012: € 31.6 billion). It is noted that the Bank regained access to the funding through ECB in mid-January 2013. The decrease in the refinancing raised from the eurosystem in the first semester of 2013, is due to the improvement of the Group's liquidity through customer deposits as well as due to interbank repo transactions.

21 Due to customers

	30 June 2013	31 December 2012
Current and sight deposits	7,861,441	6,061,609
Savings accounts	12,112,991	10,714,775
Term deposits	34,118,371	19,850,104
Other accounts (cheques, remittances and blocked deposits)	636,253	340,771
Repurchase agreements	4,227	3,949
	54,733,284	**36,971,208**

The increase in "Due to customers" is mainly due to the acquisition of customer deposits of the Greek banking operations of Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank and Millennium Bank, and also is due to the increase of the customers' deposits.

22 Debt securities in issue

	30 June 2013	31 December 2012
ETBA bonds (A)	**845**	**965**
Euro Medium Term Note		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 25.5 m. fixed rate notes due 2013	-	14,555
Accrued interest and other expenses	450	613
Total (B)	**60,450**	**75,168**
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	62,269	71,266
€ 1,250 m. floating rate notes due 2054	183,918	215,915
€ 600 m. floating rate notes due 2051	96,609	-
Total (C)	**342,796**	**287,181**
Bonds convertible to shares (D)	**0**	**170,388**
Total debt securities in issue (A)+(B)+(C)+(D)	**404,091**	**533,702**

Amounts in thousand euros (Unless otherwise stated)

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.

In May 2013 and in June 2013 Piraeus Bank issued two, one year senior bonds, in the total amount of € 4,576.5 milion. Both bonds were issued with unconditional and irrevocable guarantee of the Hellenic Republic, under Art. 2 of Law 3723/2008, through Piraeus Bank's EMTN programme. The bonds pay a floating rate coupon of 3M Euribor plus 1200 bps. Both bonds have been retained by Piraeus Bank.

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

On 30/6/2013, in the "Debt securities in issue" category are included bonds issued under the securitization of mortgage loans of amount € 600 million, that came from Millennium Bank that was acquired during the 2nd quarter of 2013, as well as two securitizations of mortgage loans that are retained by Millennium Bank.

23 Hybrid capital and other borrowed funds

	30 June 2013	31 December 2012
Hybrid capital (Tier I)		
€ 200 m. floating rate notes due 2034	18,800	59,916
	18,800	**59,916**
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	236,490	263,136
Accrued interest and other expenses	979	1,089
	237,469	**264,225**
Total hybrid capital and other borrowed funds	**256,269**	**324,141**

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

On 13 May 2013 Piraeus Bank announced a Tender Offer to purchase existing securities for cash. The Tender Offer referred to subordinated (€ 262 million) and hybrid (€59 million). On 28 May Piraeus Bank announced that it accepted offers of € 26.2 million subordinated securities and € 39.5 million of hybrid securities.

24 Contingent liabilities and commitments

A) Legal procedures

According to the opinion of the legal affairs division of the Bank and its subsidiaries, the legal proceedings outstanding against the Group as at 30/6/2013 are not expected to have any significant impact on the financial statements of the Group. The Group's provision for outstanding litigations amounts to € 11.6 million from continuing operations and € 2.2 million from discontinued operations.

B) Credit commitments

As at 30/6/2013 the Group had undertaken the following commitments:

	30 June 2013	31 December 2012
Letters of guarantee	3,312,503	3,109,938
Letters of credit	52,917	44,229
Commitments to extent credit	1,437,686	1,229,350
	4,803,107	**4,383,517**

C) Assets pledged

	30 June 2013	31 December 2012
Cash and balances with central banks	997,216	770,285
Trading securities	85,272	100,352
Investment securities	624,407	962,680
Loans and advances to customers and debt securities - receivables	12,572,301	16,421,644
	14,279,196	**18,254,962**

Apart from the above mentioned assets, the Group pledges debt securities own issue amounting to € 16,494 million as at 30/06/2013 (31/12/2012: € 11,579 million). The amount of € 16,494 million includes securities of € 9,994 million which have been issued with the unconditional guarantee of the Hellenic Republic, an amount of € 5,249 million that refers to securities issued under the securitization of mortgage, consumer and corporate loans of the Bank and an amount of € 1,251 million that refers to Bank's issuance of covered bonds.

Amounts in thousand euros (Unless otherwise stated)

D) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are analysed as follows:	30 June 2013	31 December 2012
Up to 1 year	90,151	65,312
From 1 to 5 years	348,692	255,639
More than 5 years	608,172	447,632
	1,047,016	**768,584**

Operating lease commitments increase is mainly due to the Acquisition of the Greek banking operations of Cypriot Banks (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank) and due to the acquisition of Millennium Bank.

25 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
Opening balance at 1 January 2012	**1,092,998**	**2,953,355**	**(192)**	**4,046,161**
The effect from sales and purchases of treasury shares	-	-	156	156
Balance at 31 December 2012	**1,092,998**	**2,953,355**	**(36)**	**4,046,317**
Opening balance at 1 January 2013	**1,092,998**	**2,953,355**	**(36)**	**4,046,317**
Increase of share capital	1,487,471	6,746,680	-	8,234,151
Decrease of the nominal value of ordinary shares	(308,698)	308,698	-	0
The effect from sales and purchases of treasury shares	-	-	(105)	(105)
Balance at 30 June 2013	**2,271,770**	**10,008,734**	**(140)**	**12,280,363**

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

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1 January 2012	**2,487,561,364**	**(408,788)**	**2,487,152,576**
Purchases of treasury shares	-	(3,635,454)	(3,635,454)
Sales of treasury shares	-	3,960,654	3,960,654
Balance at 31 December 2012	**2,487,561,364**	**(83,588)**	**2,487,477,776**
Opening balance at 1 January 2013	**2,487,561,364**	**(83,588)**	**2,487,477,776**
Adjustment (decrease) in the number of ordinary shares due to reverse split (10:1)	(1,028,993,907)	75,229	(1,028,918,678)
Adjusted opening balance at 1 January 2013	**1,458,567,457**	**(8,359)**	**1,458,559,098**
Increase of share capital	4,958,235,294	-	4,958,235,294
Purchases of treasury shares	-	(154,676)	(154,676)
Sales of treasury shares	-	142,976	142,976
Treasury shares due to participation in share capital increase	-	(53,520)	(53,520)
Balance at 30 June 2013	**6,416,802,751**	**(73,579)**	**6,416,729,172**

On 1/1/2013 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.

The Extraordinary General Meeting of Shareholders which was held on 31/1/2013 resolved the issue of contingent convertible securities up to the total amount of 2 billion euro through waiver of pre-emption rights of existing shareholders of ordinary registered shares, in accordance with the provisions of the Law 3864/2010, as amended, and the Ministers' Council Act No 38/9.11.2012 (Government Gazette A' 223/2012). These contingent convertible securities would be covered by the Hellenic Financial Stability Fund (HFSF) according to the above provisions. The participation of private sector investors in the aforementioned share capital increase exceeded the minimum amount required (by law 3864/2010) and, therefore, the Bank did not proceed to the issuing of a contingent convertible bond loan to the Hellenic Financial Stability Fund (HFSF).

Pursuant to the resolutions of the 2nd Iterative Extraordinary General Meeting of its common shareholders held on 23/4/2013, as approved by virtue of a decision of the Preference Shareholder's Extraordinary General Meeting dated 23/5/2013 and further specified by virtue of its Board resolution dated 29/5/2013, Piraeus Bank implemented the following:

a) Increase of each share's nominal value from € 0.30 to € 3.00 along with a reduction of the number of the Bank's common shares from 1,143,326,564 to 114,332,657 common shares (reverse split with 10 old shares for every new share) and share capital increase for the amount of €1.80 for the purpose of achieving integer number of shares, effected through capitalisation of reserves as specified in article 4 of par. 4a of Codified Law 2190/1920,

b) the formation of a special reserve as per par. 4a of article 4 of Codified Law 2190/1920 amounting to €308,698,173.90 whereby the share capital was equally reduced through reduction of the nominal value of each common share from €3.00 to €0.30. The aforementioned amount was included in Share premium reserve.

As a result, the share capital of the Bank amounted on 3/6/2013 to € 784,299,796.08 divided to 114,332,657 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.

c) Increase of the share capital of the Bank through the issuance of new ordinary shares in order to raise funds up to € 8.429 bn partly by cash payment and by contribution in kind by the Hellenic Financial Stability Fund (HFSF). Specifically, funds of a total amount of € 8,428,999,999.80 have been raised, increasing the share capital by € 1,487,470,588.20 and 4,958,235,294 new ordinary registered shares, of € 0.30 nominal value each, have been issued in total. The Share premium reserve increased by € 6,746,680,370.97 after the reduction of the expenses related to the share capital increase and the respective deferred tax. It is noted that the expenses on share capital increase at 30/06/2013 amounted to € 263,309,514.37 before tax and € 194,849,040.63 after tax.

Amounts in thousand euros (Unless otherwise stated)

After the completion of the capital increase, and as at 30/6/2013, the share capital of the Bank amounts to € 2,271,770,384.28 divided to 5,072,567,951 ordinary voting registered shares, each with a nominal value of € 0.30 and (a) 77,568,134 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.

It is noted that, pursuant to L. 3864/2010 and the Ministerial Cabinet Act (MCA) 38/2012 combined with MCA 6/2013, the Hellenic Financial Stability Fund issued 849,195,130 Warrants to the private sector investors.

The First Iterative Ordinary General Meeting of Shareholders, held on 15/7/2013, decided not to distribute dividend for the fiscal year 2012, according to the established provisions (article 1 of Law 3723/2008 as in force, combined with the article 4 of Law 4063/2012) for the credit institutions participating in the Economy reinforcement plan.

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

26 Other reserves and retained earnings

	30 June 2013	31 December 2012
Legal reserve	114,085	107,639
Extraodinary reserve	13,940	13,940
Available for sale reserve	62,644	42,196
Currency translation reserve	(175,762)	(182,335)
Other reserves	13,964	13,905
Amounts recognized directly in equity relating to non-current assets from discontinued operations	11,578	9,301
Total other reserves	**40,448**	**4,646**
Retained earnings	(2,979,755)	(6,503,766)
Total other reserves and retained earnings	**(2,939,307)**	**(6,499,120)**

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 is included.

Other reserves movement	30 June 2013	31 December 2012
Opening balance for the period	4,646	(145,587)
Movement of available for sale reserve	20,448	110,120
Formation of legal reserve	6,446	3,490
Formation of other reserves	59	15,937
Absorbed companies reserve	-	(467)
Foreign exchange differences and other adjustments	6,573	(2,676)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	2,276	23,831
Closing balance for the period	**40,448**	**4,646**

Available for sale reserve movement	30 June 2013	31 December 2012
Opening balance for the period	42,196	(67,923)
Opening balance for Egypt companies	-	(4,999)
Opening balance for discontinued operations (Marathon Banking Corporation)	-	708
Gains from the valuation of bonds and Greek Government Treasury Bills	27,725	476,605
Gains from the valuation of shares and mutual funds	17,119	86,845
Recycling to income statement of shares and mutual funds impairment	2,100	8,939
Deferred income tax	(13,058)	(32,052)
Recycling of the accumulated fair value adjustment of disposed securities	(13,806)	(442,731)
Foreign exchange differences and other movements	367	16,804
Closing balance for the period	**62,644**	**42,196**

Amounts in thousand euros (Unless otherwise stated)

Retained earnings movement	**30 June 2013**	**31 December 2012**
Opening balance	(6,503,766)	(5,975,641)
Impact from the retrospective application of I.A.S. 19 amendment	-	11,073
Restated opening balance	**(6,503,766)**	**(5,964,568)**
Impact from I.A.S. 19 Amendment after income tax recorded directly to Equity	-	(21,569)
Profit/ (loss) after tax attributable to the owners of the parent entity	3,530,068	(498,640)
Profit from sales of treasury shares	46	215
Share capital increase expenses	-	(23)
Transfer between other reserves and retained earnings	(6,504)	(19,427)
Acquisitions, disposals, absorption, liquidation and movement in participating interest	1,850	245
Expenses on increase of share capital of subsidiary company	(1,449)	-
Closing balance for the period	**(2,979,755)**	**(6,503,766)**

27 Related parties transactions

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

	30 June 2013	**31 December 2012**
Loans	142,782	82,297
Deposits	26,150	14,999
Liabilities (relates to interest and commisions due to HFSF that were paid on 1/7/2013)	142,754	-

Letters of guarantee and letters of credit to the above related parties at the 1st semester of 2013 are € 4.3 million (31/12/2012: € 1.3 million). The total income that relates to the related parties for the 1st semester of 2013 is € 1.7 million (1st semester 2012: € 1.7 million). The total expense that relates to the prementioned related parties for the period is € 0.4 million (1st semester 2012: € 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' renumeration	**1/1-30/6/2013**	**1/1-30/6/2012**
Wages, salaries, employer's share of social contributions and charges	2,750	2,228
Provisions for compensation and retirement programs	442	1,244

The increase in “Wages, salaries, employers' share of social contributions and charges” is mainly due to the addition of new members.

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel, following the secession or the vesting of benefits of particular management personnel and the adjustments that took place in the current year, amount to € 21.8 million from € 21.0 million as at 31/12/2012. It is noted that the aforementioned provisions as at 31/12/2012 have been restated from € 19.7 million to € 21.0 million as a result of the retrospective implementation of IAS 19 (Amendment) "Employee Benefits". The full amount of the above provisions has been included in the retirement benefit obligations.

	Associates	
	30 June 2013	**31 December 2012**
Deposits and other liabilities	32,617	35,343
Loans and other receivables	239,533	193,637
	1/1-30/6/2013	**1/1-30/6/2012**
Total expense	(10,622)	(9,898)
Total income	5,374	5,324

28 Acquisition of banking operations and completion of their purchase price allocation

a) Acquisition of the Greek banking operations of Cypriot Banks (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank)

On 26/3/2013, Piraeus Bank Group acquired the Greek banking operations of Bank of Cyprus, Cyprus Popular Bank (CPB) and Hellenic Bank, for a total consideration of € 524 million, through a special process, under the aegis of European Union, which determined the perimeter of the transferred operation, the terms and the consideration. The Greek Banking operations include the staff, the branch network, the loans and the deposits of the aforementioned Cypriot banks, including the loans and the deposits of their subsidiaries in Greece (leasing, factoring and Investment Bank of Greece – IBG). It is noted that in the 2nd quarter of 2013, Piraeus Bank Group acquired additional operations (custody services, settlement services for the transactions of the Cypriot branch network in Greece, etc.), without affecting the acquired assets and liabilities of the aforementioned banks.

The Bank´s management, for the scope of the purchase price allocation, encountered the above acquisitions as a single transaction, due to their peculiarities and special characteristics.

For the allocation of the acquisition cost, the Group applied the rules of IFRS 3 "Business Combinations", adjusting the assets, liabilities and contingent liabilities of the acquired Greek banking operations at their fair values. It is noted that the loans and advances to customers have been valued at their fair values according to IAS 39 by independent international audit firm.

The allocation of acquisition cost was completed in the 1st quarter of 2013 and therefore the total fair values of assets and liabilities acquired, are presented in the table below:

(amounts in thousand €)

Assets	**Total Fair Values**
Loans and advances to customers	18,517,475
Intangible assets	14,414
Property, plant and equipment	108,988
Other assets	289,965
Total Assets	**18,930,842**
Liabilities	
Due to customers	14,968,929
Retirement benefit obligation	23,310
Other liabilities	911
Total Liabilities	**14,993,150**
Shareholders Equity	3,937,692
Total liabilities and shareholders equity	**18,930,842**
Cost of acquisition	524,000
Net assets acquired	100%
Negative goodwill	3,413,692

The amount of negative goodwill was recognized in the income statement of the 1st semester 2013. The amount of negative goodwill is related to the special circumstances prevailing as at the transaction date, in combination with the IFRS valuation techniques regarding the fair values of financial instruments, according to which market data must be highly used and entity related data should be avoided as much as possible.

The table below presents the total net income, the expenses and the profit before tax of the Greek operations of three Cypriot banks that resulted after the acquisition date, as well as the respective amounts which would have resulted for the Group if their acquisition had occurred on 1/1/2013. It is noted that, as the transfer of the loans and the deposits of the Greek banking operations of the three Cypriot banks was carried out at the closure of 15/3/2013, the results related to the above loans and deposits were accounted from 16/3/2013.

	Results of 1st semester 2013	**Post acquisition results**
Total net income	251,121	155,443
Total expenses and provisions	(454,829)	(136,059)
Profit before tax	**(203,708)**	**19,384**

b) Finalisation of the purchase price allocation exercise of Geniki Bank S.A.

During the first quarter of 2013, the purchase price allocation exercise of Geniki Bank S.A. was completed, according to the provisions of IFRS 3 "Business Combinations". The final fair values of the assets acquired and the liabilities assumed as well as the resulting negative goodwill are presented as follows:

(amounts in € '000)	Geniki Bank Group
Assets	
Loans and advances to credit institutions	410,287
Loans and advances to customers	1,928,894
Available for sale securities	109,407
Property, plant and equipment	71,766
Other assets	335,006
Total Assets	**2,855,359**
Liabilities	
Due to credit institutions	404,187
Due to customers	2,049,295
Other liabilities	42,704
Total Liabilities	**2,496,186**
Shareholders Equity	359,173
Total liabilities and shareholders equity	**2,855,359**
Cost of acquisition	1,000
Net assets acquired	99.08%
Negative goodwill	354,856

Consequently, the additional negative goodwill from the acquisition of Geniki Bank S.A. amounts to approximately € 3.9 million, compared to the negative goodwill that was provisionally resognised in the annual consolidated financial statements as at 31/12/2012.

c) Completion of the purchase price allocation of former ATEbank S.A.

Piraeus Bank Group applied the rules of IFRS 3 "Business Combinations" and completed within 12 months from the acquisition date the allocation of the acquisition cost of former ATEbank S.A. to the assets and liabilities acquired. It is noted that loans and advances to customers have been valued by independent international audit firm and that properties have been valued by independent valuers.

The total fair values of the assets and liabilities acquired, are presented in the table below:

(amounts in € '000)	Former ATEbank S.A. fair values
Assets	
Loans and advances to credit institutions	259,974
Loans and advances to customers and debt securities - receivables	11,202,819
Available for sale securities	1,133,380
Funding gap	7,479,715
Property, plant and equipment	554,657
Other assets	1,160,926
Total assets	**21,791,471**
Liabilities	
Due to credit institutions	6,497,762
Due to customers	14,870,979
Other liabilities	243,385
Total liabilities	**21,612,126**
Shareholders' equity	179,345
Total liabilities and shareholders' equity	**21,791,471**
Total consideration	95,000
Net assets acquired	100%
Negative goodwill	84,345

The negative goodwill of € 84.4 million has been recognized in "Negative goodwill due to acquisitions" in the consolidated income statement for the 1st semester of 2013. The aforementioned negative goodwill is due to the significant benefits derived from the acquisition of selective assets and liabilities of former ATEbank S.A., which included a performing portfolio with high interest rate yields.

The table below presents the total fair values of the assets and liabilities of ATEbank´s subsidiaries that were acquired under the above mentioned acquisition:

(amounts in € '000)	
Assets	
Loans and advances to credit institutions	121,876
Loans and advances to customers and debt securities - receivables	165,314
Available for sale securities	111,512
Property, plant and equipment	84,914
Other assets	507,902
Total assets	**991,518**
Liabilities	
Due to credit institutions	221,668
Due to customers	102,878
Other liabilities	653,796
Total liabilities	**978,342**
Shareholders' equity	13,176
Total liabilities and shareholders' equity	**991,518**

The goodwill that resulted on the acquisition of former ATEbank´s subsidiaries, of total amount € 3.5 million, was fully impaired in the consolidated profit and loss of year 2012.

d) Acquisition of Millennium Bank S.A.

On 19/6/2013, Piraeus Bank Group completed the acquisition of the 100% of Millennium BCP's subsidiary in Greece Millennium Bank S.A., for a total consideration of € 1 million. In the context of this acquisition, the Group acquired the companies Mille Fin S.A. (percentage 100%), Millennium A.E.D.A.K. (percentage 100%) and the special purpose entities Kion Mortgage Finance Plc, Kion Mortgage Finance No.3 Plc and Kion CLO Finance No.1 Plc, which are here on subsidiaries of Piraeus Bank Group.

For the allocation of the acquisition cost, the Group applied the rules of IFRS 3 "Business Combinations", adjusting the assets, liabilities and contingent liabilities of the acquired Millennium Bank S.A. and its subsidiaries at their fair values. It is noted that the loans and advances to customers have been valued by independent international audit firm and the properties have been valued by independent valuer.

The allocation of acquisition cost was completed in the 1st semester of 2013 and therefore the total fair values of assets and liabilities acquired, are presented in the table below:

(amounts in € '000)	Millennium Bank Group
Assets	
Cash and balances with Central Banks	152,487
Loans and advances to credit institutions	52,349
Loans and advances to customers	3,967,544
Property, plant and equipment	30,170
Deferred tax assets	142,325
Other assets	255,953
Total assets	**4,600,828**
Liabilities	
Due to credit institutions	1,180,637
Due to customers	2,890,478
Other liabilities	220,340
Total liabilities	**4,291,454**
Shareholders' equity	309,374
Total liabilities and shareholders' equity	**4,600,828**
Total consideration	1,000
Net assets acquired	100%
Negative goodwill	308,374

The negative goodwill of € 308.4 million has been recognized in "Negative goodwill due to acquisitions" in the consolidated income statement for the 1st semester of 2013. The aforementioned negative goodwill is due to the significant benefits derived from the acquisition of Millennium Bank S.A. and the purchase consideration as compared to its net asset position, as a result of the new strategy adopted at an earlier period, during which Greek prospects were highly uncertain, by a number of foreign banks including Millennium BCP, for the mitigation of their exposure to investment risk related to banking operations in Greece.

The table below presents the post acquisition total net income, the post acquisition total expenses and provisions and the post acquisition profit before tax of Millennium Bank S.A. Group, as well as the respective amounts which would have resulted for Piraeus Bank Group had their acquisition occured on 1/1/2013.

	1/1 - 30/6/2013	20/6 - 30/6/2013
Total net income	20,030	1,197
Total expenses and provisions	(128,660)	(2,514)
Profit before tax	**(108,630)**	**(1,317)**

29 Changes in the portfolio of subsidiaries and associates

In the period from 1/1/2013 to 30/6/2013 the following changes took place in the Group's portfolio of direct and indirect subsidiaries and associates and held for sale companies:

a) Gain of control or significant influence:

Following the finalization of the acquired perimeter of the selected balance sheet items of under special liquidation Agricultural Bank of Greece S.A. dated 24/1/2013, 100% of ATEXCELIXI S.A. was acquired and as a result, it is included in the subsidiaries' portfolio of Piraeus Bank S.A.

On 4/4/2013, Piraeus Bank S.A. acquired 793,510 shares of the company Hellenic Seaways Maritime S.A. As a result, its shareholding percentage in the company amounts to 21.02% and the latter is included in the associates' portfolio.

b) Establishments:

On 8/2/2013, Piraeus Leasing Romania SRL and Piraeus Real Estate Consultants SRL, 100% Group's subsidiaries, established General Business Management Investitii SRL, 100% Group's subsidiary, fully covering its share capital with the amount of € 45.72. As a result, Piraeus Real Estate Consultants SRL and Piraeus Leasing Romania SRL own 90% and 10% of the company's share capital respectively.

Amounts in thousand euros (Unless otherwise stated)

Piraeus Bank Cyprus Ltd, 100% subsidiary of Piraeus Bank S.A., established the 100% subsidiary company, Piraeus Bank (Cyprus) Nominees Limited.

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

On 14/1/2013, Piraeus Bank S.A. fully covered the share capital increase of its 100% subsidiary Piraeus Equity Partners Ltd, with the amount of € 2.00 million, without altering its shareholding percentage.

On 24/1/2013, PJ Tech Catalyst Fund, 30% Group's associate company, increased its assets with the amount of € 330.00 thousand. As a result, Piraeus Equity Partners Ltd, 100% subsidiary of Piraeus Bank S.A., covered its shareholding ratio with the amount of € 99.00 thousand, without altering its shareholding percentage.

On 7/3/2013, Geniki Bank S.A., 99.08% subsidiary of Piraeus Bank S.A., decreased its share capital by the amount of € 83.03 million by decreasing the nominal value from € 5.80 per share to € 1.00 per share.

On 8/3/2013, ATE Insurance S.A., 100% direct subsidiary of Piraeus Bank S.A., concluded its share capital increase with the amount of € 172.06 million Piraeus Bank S.A. fully covered the aforementioned increase without altering its shareholding percentage in the company, which is included in the Held for Sale portfolio.

On 28/3/2013, Piraeus Bank Beograd A.D., 100% subsidiary of Piraeus Bank S.A., increased its share capital with the amount of € 9.94 million through the conversion of subordinated debt. Piraeus Bank S.A. fully covered the increase, without altering its shareholding percentage.

On 29/3/2013, Piraeus-TANEO Capital Fund, 50.01% associate of Piraeus Bank S.A, increased its assets with the amount of € 187.5 thousand. Piraeus Bank S.A. covered its shareholding ratio with the amount of € 93.77 thousand, without altering its shareholding percentage.

From 1/4/2013 to 30/6/2013, Piraeus Bank S.A. paid the amount of € 795.21 thousand for the acquisition of additional 0.20% of Geniki Bank S.A., increasing its shareholding percentage in the company to 99.94%.

On 8/4/2013, Geniki Bank S.A., completed its share capital increase through the conversion of Bond Loan of € 350.03 million and the issue of 51,024,781 new shares which were acquired by Piraeus Bank S.A. As a result, the shareholding percentage of Piraeus Bank S.A. in the company increased by 0.66%, amounting to 99.74%.

On 11/4/2013, Piraeus Equity Partners Ltd, 100% subsidiary of Piraeus Bank S.A., fully covered the share capital increase of its 100% subsidiary Piraeus FI Holding Ltd, with the amount of € 181.25 thousand, without altering its shareholding percentage in the company.

On 22/4/2013, Piraeus Bank S.A. paid the amount of € 130 thousand for the acquisition of additional 0.29% of Achaia Clauss Estate S.A. As a result, the shareholding percentage of Piraeus Bank S.A. in the company amounts to 74.76%.

On 24/5/2013, PJ Tech Catalyst Fund, 30% Group's associate company, increased its assets by the amount of € 300.00 thousand. As a result, Piraeus Equity Partners Ltd, 100% subsidiary of Piraeus Bank S.A., covered its shareholding ratio with the amount of € 90.00 thousand, without altering its shareholding percentage.

On 31/5/2013, Geniki Bank S.A., 100% subsidiary of Piraeus Bank S.A., fully covered the share capital increase of its 100% subsidiary Geniki Leasing S.A., with the amount of € 43.51 million, without altering its shareholding percentage in the company.

In May 2013, Piraeus FI Holding LTD, 100% Group's subsidiary, fully covered the share capital increase of its 100% subsidiary Piraeus Clean Energy LP, with the amount of € 181.25 thousand, without altering its shareholding percentage in the company.

On 7/6/2013, Piraeus-TANEO Capital Fund, 50.01% associate of Piraeus Bank S.A., increased its assets by the amount of € 2.50 million. As a result, Piraeus Bank S.A. covered its shareholding ratio with the amount of € 1.25 million, without altering its shareholding percentage.

On 13/6/2013, APE Fixed Assets Real Estate Tourist and Development S.A., 27.8% associate of Piraeus Bank S.A., increased its share capital with the amount of € 350 thousand. Piraeus Bank S.A. covered its shareholding ratio with the amount of € 97.31 thousand, without altering its shareholding percentage in the company.

Net inflow from shareholding percentage increase in subsidiaries and from acquisition of subsidiaries amounts to € 172 million and is presented below:

Acquisition of subsidiaries excluding cash and cash equivalents acquired	**30/06/2013**	**30/06/2012**
Shareholding percentage increase in subsidiaries of the Group	925	111
Acquisition of subsidiaries	1,000	59
Less: Cash and cash equivalents acquired	(174,067)	0
	(172,142)	**171**

d) Liquidation and disposal:

In March 2013, Imperial Stockbrokers LTD, Imperial Eurobrokers LTD, Euroinvestment Mutual Funds LTD and Bull Fund LTD, 100% subsidiaries of Group, were dissolved.

On 8/3/2013, ETVA Industrial Parks S.A., 65% subsidiary of Piraeus Bank S.A., set its 51% participation Good Works Energy Photovoltaics S.A. under liquidation. Good Works Energy Photovoltaics S.A. is included in the portfolio of Group's associates.

Amounts in thousand euros (Unless otherwise stated)

On 4/4/2013, Piraeus Bank S.A. disposed 0.20% of its associated company, Exodus S.A., for the amount of € 4.14 thousand. As a result, the shareholding percentage of Piraeus Bank S.A. in the company decreased to 49.90%.

e) Further changes – Transfers:

On 20/5/2013, ATExcelixi S.A., 100% subsidiary of Piraeus Bank S.A., was renamed to Centre of Sustainable Entrepreneurship Excelixi S.A.

On 21/6/2013, Piraeus Asset Management S.A. and ABG Mutual Funds Management Company S.A., 100% subsidiaries of Piraeus Bank S.A., were merged through the absorption of the latter from the first, without altering the Group's shareholding percentage (100%).

30 Restatement of comparatives

The Balance sheet accounts as at 31/12/2012 and the Income Statements accounts for the 1st semester of 2012 have been restated as a result of the retrospective implementation of IAS 19 (Amendment) "Employee Benefits".

The restatements and the restated amounts of Piraeus Bank Group in the interim income statement, the interim statement of total comprehensive income and the interim statement of financial position are presented below.

RESTATEMENTS OF CONSOLIDATED INTERIM INCOME STATEMENT

	1/1-30/6/2012			1/4-30/6/2012		
Consolidated income statement	**Published amounts**	**Restatements due to amendment of I.A.S. 19**	**Restated Amounts**	**Published amounts**	**Restatements due to amendment of I.A.S. 19**	**Restated Amounts**
Total net income	**706,486**	**0**	**706,486**	**312,140**	**0**	**312,140**
Staff costs	(169,768)	(47)	(169,815)	(85,374)	110	(85,264)
Administrative expenses	(147,029)	-	(147,029)	(81,968)	-	(81,968)
Depreciation and amortization	(51,967)	-	(51,967)	(23,818)	-	(23,818)
Gains/ (losses) from sale of assets	(206)	-	(206)	(243)	-	(243)
Total operating expenses before provisions	**(368,970)**	**(47)**	**(369,017)**	**(191,404)**	**110**	**(191,294)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**337,516**	**(47)**	**337,469**	**120,737**	**110**	**120,847**
Impairment losses on loans, debt securities and other receivables	(806,044)	-	(806,044)	(511,609)	-	(511,609)
Impairment on investment securities	(357,646)	-	(357,646)	(44,797)	-	(44,797)
Other provisions and impairment	(37,417)	-	(37,417)	(37,164)	-	(37,164)
Share of profit of associates	(10,906)	-	(10,906)	(9,480)	-	(9,480)
Profit/ (loss) before income tax	**(874,497)**	**(47)**	**(874,544)**	**(482,313)**	**110**	**(482,203)**
Income tax	514,516	9	514,526	78,461	(23)	78,438
Profit/ (loss) after income tax	**(359,981)**	**(38)**	**(360,019)**	**(403,852)**	**87**	**(403,764)**
Profit after income tax from discontinued operations	2,694	-	2,694	1,460	-	1,460
PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD	**(357,287)**	**(38)**	**(357,325)**	**(402,391)**	**87**	**(402,304)**
From continuing operations						
Profit/ (loss) for the period attributable to equity holders of the parent entity	(355,143)	(36)	(355,179)	(401,106)	89	(401,017)
Non controlling interest	(4,838)	(2)	(4,839)	(2,745)	(1)	(2,746)
From discontinued operations						
Profit for the period attributable to equity holders of the parent entity	2,654	-	2,654	1,439	-	1,439
Non controlling interest	40	-	40	21	-	21
From continuing operations						
Earnings/ (losses) per share attributable to equity holders of the parent entity:						
- Basic and Diluted	(3.0900)	(0.0003)	(3.0903)	(3.4902)	0.0008	(3.4894)
From discontinued operations						
Earnings per share attributable to equity holders of the parent entity:						
- Basic and Diluted	0.0231	0.0000	0.0231	0.0125	0.0000	0.0125

Amounts in thousand euros (Unless otherwise stated)

RESTATEMENTS OF CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	1/1-30/6/2012			1/4-30/6/2012		
CONTINUING OPERATIONS	**Published amounts**	**Restatements due to amendment of I.A.S. 19**	**Restated Amounts**	**Published amounts**	**Restatements due to amendment of I.A.S. 19**	**Restated Amounts**
Profit/ (loss) after tax for the period (A)	**(359,981)**	**(38)**	**(360,019)**	**(403,852)**	**87**	**(403,765)**
Other comprehensive income, net of tax:						
Amounts that can be reclassified in the Income Statement						
Net change in available for sale reserve	37,034	-	37,034	(4,384)	-	(4,384)
Change in currency translation reserve	(10,482)	-	(10,482)	(11,008)	-	(11,008)
Amounts that can not be reclassified in the Income Statement						
Change in acturial gain/ (losses) at the defined benefit obligations	-	-	-	-	-	-
Other comprehensive income for the period, net of tax (B)	**26,552**	**0**	**26,552**	**(15,392)**	**0**	**(15,392)**
Total comprehensive income for the period, net of tax (A+B)	**(333,429)**	**(38)**	**(333,467)**	**(419,244)**	**87**	**(419,157)**
- Attributable to equity holders of the parent entity	(328,642)	(38)	(328,680)	(416,613)	87	(416,526)
- Non controlling interest	(4,787)	-	(4,787)	(2,631)	-	(2,631)
DISCONTINUED OPERATIONS						
Profit after tax for the period (C)	**2,694**	**0**	**2,694**	**1,460**	-	**1,460**
Amounts that can be reclassified in the Income Statement						
Net change in available for sale reserve	76	-	76	15	0	15
Change in currency translation reserve	702	-	702	1,825	0	1,825
Amounts that can not be reclassified in the Income Statement						
Change in acturial gain/ (losses) at the defined benefit obligations	-	-	-	-	-	-
Other comprehensive income for the period, net of tax (D)	**778**	**0**	**778**	**1,840**	**0**	**1,840**
Total comprehensive income for the period, net of tax (C+D)	**3,472**	**0**	**3,472**	**3,300**	**0**	**3,300**
- Attributable to equity holders of the parent entity	3,395	-	3,395	3,205	-	3,205
- Non controlling interest	77	-	77	95	-	95

RESTATEMENTS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2012		
ASSETS	**Published amounts**	**Restatements due to amendment of I.A.S. 19**	**Restated Amounts**
Deferred tax assets	1,895,124	2,350	1,897,474
Assets from discontinued operations	377,184	(34)	377,150
Other assets	68,133,853	-	68,133,853
TOTAL ASSETS	**70,406,161**	**2,316**	**70,408,477**
LIABILITIES			
Retirement benefit obligations	172,065	11,173	183,238
Deferred tax liabilities	37,100	115	37,215
Liabilities from discontinued operations	605,824	(170)	605,654
Other liabilities	71,906,677	-	71,906,677
TOTAL LIABILITIES	**72,721,666**	**11,118**	**72,732,784**
EQUITY			
Share capital	1,092,998	-	1,092,998
Share premium	2,953,356	-	2,953,356
Less: Treasury shares	(36)	-	(36)
Other reserves	(4,655)	-	(4,655)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	9,301	-	9,301
Retained earnings	(6,494,933)	(8,833)	(6,503,766)
Capital and reserves attributable to equity holders of the parent entity	**(2,443,969)**	**(8,833)**	**(2,452,802)**
Non controlling interest	128,464	31	128,495
TOTAL EQUITY	**(2,315,505)**	**(8,802)**	**(2,324,307)**
TOTAL LIABILITIES AND EQUITY	**70,406,161**	**2,316**	**70,408,477**

31 Events subsequent to the end of the interim period

There are no significant post balance sheet events.

Athens, August 28th, 2013

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

PIRAEUS BANK S.A.

Interim Condensed Financial Information

30 June 2013

In accordance with the International Financial Reporting Standards

The attached interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on August 28th, 2013 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

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

Index to the Interim Condensed Financial Information

Amounts in thousand euros (Unless otherwise stated)

INTERIM INCOME STATEMENT

	Note	Period from 1 January to		Period from 1 April to	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
Interest and similar income		1,428,600	1,027,935	817,665	477,373
Interest expense and similar charges		(870,512)	(793,018)	(475,680)	(388,936)
NET INTEREST INCOME		**558,087**	**234,916**	**341,984**	**88,437**
Fee and commission income		90,087	60,267	53,578	30,565
Fee and commission expense		(10,211)	(9,885)	(6,079)	(5,154)
NET FEE AND COMMISSION INCOME		**79,876**	**50,382**	**47,500**	**25,411**
Dividend income		7,341	3,439	7,273	3,421
Net trading income	8	53,836	204,624	25,668	97,431
Net income from financial instruments designated at fair value through profit or loss		5,110	2,393	587	414
Results from investment securities		13,872	(815)	7,689	(749)
Other operating income		16,684	2,630	8,194	(1,066)
Negative goodwill due to acquisitions	27	3,498,037	-	84,345	-
TOTAL NET INCOME		**4,232,843**	**497,568**	**523,240**	**213,299**
Staff costs		(247,769)	(95,399)	(150,588)	(47,235)
Administrative expenses		(167,891)	(95,754)	(112,638)	(54,569)
Depreciation and amortisation		(34,796)	(24,962)	(20,042)	(12,290)
Gains/ (Losses) from sale of assets		85	(102)	86	(100)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(450,371)**	**(216,217)**	**(283,182)**	**(114,194)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**3,782,472**	**281,351**	**240,058**	**99,105**
Impairment losses on loans, debt securities and other receivables	14	(958,813)	(666,773)	(533,041)	(425,094)
Impairment of investment securities and participations	15, 16	(256,356)	(432,651)	(256,348)	(124,191)
PROFIT/ (LOSS) BEFORE INCOME TAX		**2,567,304**	**(818,073)**	**(549,330)**	**(450,180)**
Income tax	9	555,087	531,498	10,665	79,026
PROFIT/ (LOSS) AFTER TAX		**3,122,391**	**(286,575)**	**(538,666)**	**(371,154)**
Earnings/ (losses) per share (in euros):					
- Basic and Diluted	10	19.7502	(2.4923)	(2.6261)	(3.2279)

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Period from 1 January to		Period from 1 April to	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
Profit/ (loss) after tax for the period (A)		**3,122,391**	**(286,575)**	**(538,666)**	**(371,154)**
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Net change in available for sale reserve	11.24	21,618	38,730	22,620	(298)
Amounts that can not be reclassified in the Income Statement					
Change in actuarial gains/ (losses) of defined benefit obligation		-	-	-	-
Other comprehensive income, net of tax (B)	11.24	**21,618**	**38,730**	**22,620**	**(298)**
Total comprehensive income, net of tax (A+B)		**3,144,008**	**(247,845)**	**(516,046)**	**(371,452)**

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2013	31 December 2012
ASSETS			
Cash and balances with Central Bank	12	2,273,435	2,091,406
Loans and advances to credit institutions		1,939,777	2,620,677
Derivative financial instruments - assets		361,973	423,395
Trading securities	13	20,164	81,209
Financial instruments at fair value through profit or loss	13	12,943	7,833
Reverse repos with customers		23,312	35,388
Loans and advances to customers (net of provisions)	14	54,118,148	37,618,002
Debt securities - receivables	14	15,738,674	7,933,625
Investment securities			
- Available for sale securities	15	2,307,409	4,340,092
Investments in subsidiaries		1,710,299	1,921,587
Investments in associated undertakings		286,077	240,239
Intangible assets		191,676	256,483
Property, plant and equipment		753,126	631,788
Investment property		303,143	435,871
Assets held for sale		10,359	-
Deferred tax assets		2,339,299	1,757,304
Inventories property		304,487	150,799
Other assets	17	1,759,603	2,476,681
TOTAL ASSETS		**84,453,903**	**63,022,379**
LIABILITIES			
Due to credit institutions	18	27,484,588	32,515,139
Liabilities at fair value through profit or loss		-	21,953
Derivative financial instruments - liabilities		370,608	419,846
Due to customers	19	46,370,431	31,107,800
Debt securities in issue	20	307,476	533,703
Hybrid capital and other borrowed funds	21	256,269	324,141
Retirement benefit obligations		160,322	131,264
Other provisions		1,259	232
Current income tax liabilities		8,341	6,730
Other liabilities		860,806	705,927
TOTAL LIABILITIES		**75,820,100**	**65,766,735**
EQUITY			
Share capital	23	2,271,770	1,092,998
Share premium	23	10,008,734	2,953,356
Other reserves	24	151,889	130,271
Retained earnings	24	(3,798,591)	(6,920,981)
TOTAL EQUITY		**8,633,803**	**(2,744,356)**
TOTAL LIABILITIES AND EQUITY		**84,453,903**	**63,022,379**

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
Opening balance as at 1st January 2012		**1,092,998**	**2,953,356**	**1,603**	**(6,106,639)**	**(2,058,682)**
Impact from the retrospective application of I.A.S. 19 amendment	24				13,991	13,991
Adjusted opening balance as at 1st January 2012		**1,092,998**	**2,953,356**	**1,603**	**(6,092,647)**	**(2,044,691)**
Other comprehensive income, net of tax	11, 24			38,730		38,730
Results after tax for the period 1/1/2012 - 30/6/2012	24				(286,575)	(286,575)
Total recognised income for the period 1/1/2012 - 30/6/2012		**0**	**0**	**38,730**	**(286,575)**	**(247,845)**
Expenses on issue of preference shares	24				(23)	(23)
Balance as at 30th June 2012		**1,092,998**	**2,953,356**	**40,333**	**(6,379,245)**	**(2,292,558)**
Opening balance as at 1st July 2012		**1,092,998**	**2,953,356**	**40,333**	**(6,379,245)**	**(2,292,558)**
Other comprehensive income, net of tax	24			89,492		89,492
Results after tax for the period 1/7/2012 - 31/12/2012	24				(520,152)	(520,152)
Total recognised income for the period 1/7/2012 - 31/12/2012		**0**	**0**	**89,492**	**(520,152)**	**(430,660)**
Impact from I.A.S. 19 amendment after income tax that recorded directly to Equity	24				(22,162)	(22,162)
Absorption of company	24			446	579	1,025
Balance as at 31st December 2012		**1,092,998**	**2,953,356**	**130,271**	**(6,920,981)**	**(2,744,356)**
Opening balance as at 1st January 2013		**1,092,998**	**2,953,356**	**130,271**	**(6,920,981)**	**(2,744,356)**
Other comprehensive income, net of tax	11, 24			21,618		21,618
Results after tax for the period 1/1/2013 - 30/6/2013	24				3,122,391	3,122,391
Total recognised income for the period 1/1/2013 - 30/6/2013		**0**	**0**	**21,618**	**3,122,391**	**3,144,008**
Increase of share capital	23	1,487,471	6,746,680			8,234,151
Decrease of the nominal value of ordinary shares	23	(308,698)	308,698			0
Balance as at 30th June 2013		**2,271,770**	**10,008,734**	**151,889**	**(3,798,590)**	**8,633,803**

Amounts in thousand euros (Unless otherwise stated)

INTERIM CASH FLOW STATEMENT

		Period from 1 January to	
Cash flows from operating activities	**Note**	**30 June 2013**	**30 June 2012**
Profit / (loss) before tax		2,567,304	(818,073)
Adjustments to profit/ (loss) before tax:			
Add: provisions and impairment		1,215,168	1,088,277
Add: depreciation and amortisation charge		34,796	24,962
Add: retirement benefits		9,006	7,241
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		(33,326)	95,370
(Gains)/ losses from investing activities		(21,339)	(273,080)
Negative goodwill due to acquisitions	27	(3,498,036)	-
Cash flows from operating activities before changes in operating assets and liabilities		273,573	124,695
Changes in operating assets and liabilities:			
Net (increase)/ decrease in cash and balances with Central Bank		(221,375)	5,198
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		59,577	(55,057)
Net (increase)/ decrease in loans and advances to credit Institutions		667,350	161,655
Net (increase)/ decrease in loans and advances to customers		1,324,468	495,188
Net (increase)/ decrease in debt securities - receivables		(819,681)	2,111
Net (increase)/ decrease in reverse repos with customers		12,076	54,551
Net (increase)/ decrease in other assets		501,148	(16,166)
Net increase/ (decrease) in amounts due to credit institutions		(5,030,551)	1,164,918
Net increase/ (decrease) in liabilities at fair value through profit or loss		(21,953)	(18,075)
Net increase/ (decrease) in amounts due to customers		293,702	(2,880,610)
Net increase/ (decrease) in other liabilities		212,857	(47,319)
Net cash flow from operating activities before income tax payment		(2,748,810)	(1,008,909)
Income tax paid		(692)	(864)
Net cash inflow/ (outflow) from operating activities		**(2,749,502)**	**(1,009,773)**
Cash flows from investing activities			
Purchases of property, plant and equipment		(27,778)	(16,455)
Sales of property, plant and equipment		1,064	201
Purchases of intangible assets		(14,163)	(11,211)
Purchases of assets held for sale		(172,109)	-
Purchases of investment securities		(3,335,703)	(3,109,938)
Disposals/ maturity of investment securities		5,339,674	4,306,926
Acquisition of subsidiaries and participation in share capital increases		(13,860)	(46,652)
Acquisition of associates and participation in share capital increases		(1,441)	(844)
Sales of associates		4	-
Dividends receipts from associates		1,855	1,855
Dividends receipts from available for sale securities		283	600
Net cash inflow/ (outflow) from investing activities		**1,777,825**	**1,124,483**
Cash flows from financing activities			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(265,807)	(383,324)
Increase of share capital		1,180,322	-
Net cash inflow/ (outflow) from financing activities		**914,515**	**(383,324)**
Effect of exchange rate changes on cash and cash equivalents		(12,046)	(3)
Net increase/ (decrease) in cash and cash equivalents of the period (A)		**(69,207)**	**(268,617)**
Cash and cash equivalents at the beginning of the period (B)		**1,389,560**	**1,841,271**
Cash and cash equivalents at the acquisition date, of assets and liabilities of Cypriot banks' network in Greece (C)		11,696	-
Cash and cash equivalents at the end of the period (A)+(B)+(C)		**1,332,049**	**1,572,654**

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 societés anonymes, Law 3601/2007 on credit institutions, and other relevant laws. According to article 2 of its Statute, the scope of the company is to execute, on its behalf or on behalf of third parties, any and every operation acknowledged or delegated by law to banks.

Piraeus Bank is incorporated and domiciled in Greece. The address of the registered office is 4 Amerikis st., Athens. Piraeus Bank operates in Greece, in London and in Frankfurt. The Bank employs 14,621 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 (Global Small Cap, Greece Small Cap, RAFI, Med 100), MSCI (Emerging Markets Small Cap, Europe Small Cap, Greece Small Cap), Euro Stoxx (All Europe, TMI) 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 2012 have been followed.

The following amendments have been issued by the International Accounting Standards Board and are effective from 1.1.2013.

- **IAS 12 (Amendment), "Income Taxes" (effective for annual periods beginning on or after 1 January 2013).** Amendments to IAS 12 were issued to provide guidance namely to the measurement of deferred tax on: a) investment property measured at fair value and b) property, plant and equipment measured using the revaluation model in IAS 16. In both cases, deferred tax is required to be measured using the rebuttable presumption that the carrying amount of the underlying asset will be recovered through sale.

- **IAS 19 (Amendment), "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013).** The amendment removes the corridor mechanism and the concept of expected returns on plan assets. Actuarial gains and losses will be recognized in other comprehensive income as they occur. Plan assets will produce a credit to income based on corporate bond yields irrespective of the actual composition of assets held. The application of the revised IAS 19 is retrospective and the impact from its adoption is presented in note 26.

- **IAS 1 (Amendment), "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012).** The amendment requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. If the items are presented before tax, then the tax related to the two groups of other comprehensive income items (those that might be reclassified and those that will not be reclassified) must be shown separately. The adoption of the aforementioned amendment led to changes only in the presentation of the Statement of Total Comprehensive Income.

- **IFRS 13, "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013).** IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The required disclosures due to the adoption of IFRS 13 are presented in note 5 of the interim condensed financial information.

- **IFRIC Interpretation 20, "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after 1 January 2013).** This interpretation provides guidance for the accounting of waste removal costs that are incurred in surface mining activity during the production phase of a mine ("production stripping costs").

- **IFRS 7 (Amendment), "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities " (effective for annual periods beginning on or after 1 January 2013).** Amendments to IFRS 7 were issued in December 2011 to require additional disclosures that will enable users of financial statements to evaluate the effect of netting arrangements.

- **IFRS 1 (Amendments), "Government Loans" (effective for annual periods beginning on or after 1 January 2013).** The amendment issued in March 2012, adds an exception to the retrospective application of IFRSs to require that first-time adopters apply the requirements in IFRS 9 and IAS 20 prospectively to government loans existing at the date of transition to IFRSs. Earlier application is permitted.

Improvements to IFRSs (May 2012)

- **IFRS 1 (Amendment), "First Time Adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 January 2013).** The amendment clarifies the accounting for re-application of IFRS for entities that have stopped applying IFRS in the past and choose or are required to apply IFRS again.

- **IAS 1 (Amendment), "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2013).** The amendment requires notes to the financial statements when additional comparative periods are voluntarily presented.

- **IAS 16 (Amendment), "Property, Plant and Equipment" (effective for annual periods beginning on or after 1 January 2013).** The amendment provides guidance for the classification of major spare parts and servicing equipment as property, plant and equipment.

- **IAS 32 (Amendment), "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2013).** The amendment clarifies that taxes arising from distributions to holders of equity instruments are accounted for in accordance with IAS 12 "Income Taxes".

- **IAS 34 (Amendment), "Interim Financial Reporting" (effective for annual periods beginning on or after 1 January 2013).** The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities to enhance consistency with IFRS 8 "Operating Segments" and to ensure that interim disclosures are aligned with annual disclosures.

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

For the preparation of financial statements, the Bank proceeds to certain accounting estimates and judgements that affect the reported amounts of certain assets and liabilities within the next financial year. Accounting estimates and judgements are continually evaluated based on historical experience as well as on expectations of future events and they are the same with those accounting estimates and judgements adopted and described in the annual financial statements for the year ended 31 December 2012.

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

b.1. Impairment losses on loans and other receivables

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

b.2. Fair value of derivative financial instruments

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

b.3. Impairment of available for sale portfolio

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 economical performance and changes in technology.

b.4. 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.5. Income taxes

The Bank recognizes deferred tax on temporary tax differences, taking into consideration future benefits as well as tax liabilities.

For the calculation and evaluation of the deferred tax asset recoverability, management considers the best estimates for the evolution of the Bank´s tax profits in the foreseeable future, in combination with the nature of the temporary tax differences and tax losses and their recoverability based on the Greek tax law in force.

Management´s estimates for the evolution of the Bank´s tax profits are based on a series of assumptions, the most important of which relate to the future of the Greek economy and market.

b.6. Goodwill

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

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

Note 27 is relevant to the recognition of negative goodwill on the acquisition of a) the banking operations in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank as well as b) the selected assets and liabilities of former ATEbank S.A. in the first semester of 2013.

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 2012.

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. It shall be noted that, the figures of the interim statement of financial position as at 30/06/2013 are not comparable with the corresponding figures as at 31/12/2012, as Piraeus Bank acquired the banking operations in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank on 26/03/2013. Furthermore, the figures of the interim income statement for the first semester of 2013 are not comparable with the corresponding figures for the first semester of 2012 as Piraeus Bank acquired a) selected assets and liabilities of former ATEbank S.A. on 27/07/2012 and b) the banking operations in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank on 26/03/2013. Namely to the profit or loss for the first semester of 2013, the aforementioned acquisitions mainly affected net interest income and staff costs, as well as administrative cost.

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

The economic situation in Greece, though improving fiscally, still remains the main risk factor for the Greek banking sector in general. In case of negative developments in this area, the Bank's liquidity, the quality of its loan portfolio, its profitability, and ultimately, its capital adequacy may significantly be affected.

Greece's public debt sustainability consists an additional risk factor for the Greek banking system. Moreover, the country's economic adjustment programme continues to entail a significant execution risk. At the same time, both the risks of a deceleration in the global economic growth and of the debt crisis in other peripheral European economies are also added to the external factors of uncertainty.

The completion of the share capital increase of Piraeus Bank in the second quarter of 2013 resulted in the enhancement of its capital base and the restoration of the EBA Core Tier I at a level much higher than the minimum required (9%). From the total amount raised for the share capital increase, approximately €1.4 billion was covered by private investors and € 7 billion by the EFSF.

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

- The completion of the recapitalisation programme of systemic banks.
- The availability of additional capital, in case this is required for the further recapitalisation of the Greek banks and for the reorganization of the banking sector (the total amount of capital to be provided to the EFSF for the support of the Greek banking system is € 50 billion).
- The financial support mechanism from the International Monetary Fund as well as from the European Union.
- The capability to raise liquidity through the Eurosystem.
- The intention of Greek Authorities to strengthen the Greek economy.

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

Amounts in thousand euros (Unless otherwise stated)

4 Credit risk of loans and advances

The Bank selected to disclose the credit risk exposure for loans and advances to customers due to the acquisition of the Greek operations of the three Cypriot banks and specifically, due to the acquisition of the loans and advances to customers at their fair values. Furthermore, the Bank has not changed its risk management policies during the 1st semester of 2013.

Loans and advances to customers and to credit institutions and debt securities-receivables are summarised as follows:

	30 June 2013				
	Loans and advances to customers before provisions and adjustments	Individually impaired allowance for impairment of loans and advances	Collective allowance for impairment of loans and advances	Adjustments of opening balances at acquisition date	**Net Loans and advances to customers after provisions and adjustments**
A) Loans neither past due or impaired	30,886,189	-	(154,872)	169,055	30,900,372
B) Loans and advances past due but not impaired	16,206,732	-	(233,604)	(798,988)	15,174,140
C) Loans and advances impaired	15,991,260	(2,656,975)	(679,670)	(4,610,979)	8,043,636
Total	**63,084,181**	**(2,656,975)**	**(1,068,146)**	**(5,240,913)**	**54,118,148**

	31 December 2012				
	Loans and advances to customers before provisions and adjustments	Individually impaired allowance for impairment of loans and advances	Collective allowance for impairment of loans and advances	Adjustments of opening balances at acquisition date	**Net Loans and advances to customers after provisions and adjustments**
A) Loans neither past due or impaired	23,440,133	-	(16,249)	(56,184)	23,367,700
B) Loans and advances past due but not impaired	10,025,406	-	(295,814)	(116,808)	9,612,785
C) Loans and advances impaired	7,670,592	(1,995,228)	(564,135)	(473,711)	4,637,517
Total	**41,136,132**	**(1,995,228)**	**(876,198)**	**(646,704)**	**37,618,002**

	30 June 2013	**31 December 2012**
Debt securities-receivables	15,762,520	7,957,470
Less: Allowance for impairment of debt securities-receivables	(23,846)	(23,846)
Net	**15,738,674**	**7,933,625**

	30 June 2013		31 December 2012	
	Loans and advances to credit institutions	Reverse repos with customers	Loans and advances to credit institutions	Reverse repos with customers
A) Loans neither past due or impaired	1,939,777	23,312	2,620,677	35,388
B) Loans and advances past due but not impaired	-	-	-	-
C) Loans and advances impaired	-	-	-	-
Total	**1,939,777**	**23,312**	**2,620,677**	**35,388**

‘Adjustment for opening balances at acquisition date’ relates to allowance for impairment for loans of companies of former ATEbank and Cypriot banks’ network in Greece. The aforementioned allowance for impairment has been included in the adjustment of loans and advances to customers to fair value according to the provisions of IFRS 3. It is noted that in note 14 ‘Loans and advances to customers and debt securities – receivables’ the adjustment has decreased the balance of loans and advances to customers before provisions and it is not included in the allowance for impairment on loans and advances to customers. However for purposes of monitoring credit risk and for disclosure purposes according to I.F.R.S. 7, the aforementioned adjustment does not affect the balances of loans and advances before provisions, as the Bank has not stopped monitoring the adjustment of loans nominal value as part of the provisions.

An analysis of the adjustment at acquisition date per category of loans is provided below:

	30 June 2013	**31 December 2012**
Loans to individuals	**(924,488)**	**(61,830)**
Mortgages	(86,371)	(21,013)
Consumer/ personal loans	(714,883)	(20,347)
Credit cards	(123,235)	(20,470)
Corporate loans	**(4,316,424)**	**(584,873)**
Total adjustment	**(5,240,913)**	**(646,704)**

The categorization of credit risk according to IFRS 7 is analyzed below in values before provisions and adjustments.

a) Loans neither past due or impaired:

Loans and advances to customers

30 June 2013	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
Grades	Credit cards	Consumer/ personal loans	Mortgages		
Standard monitoring	619,823	1,710,536	9,388,041	11,696,054	23,414,454
Special monitoring	-	-	-	7,471,735	7,471,735
Total	**619,823**	**1,710,536**	**9,388,041**	**19,167,789**	**30,886,189**

Amounts in thousand euros (Unless otherwise stated)

31 December 2012	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
Grades	Credit cards	Consumer/ personal loans	Mortgages		
Standard monitoring	498,759	1,300,227	7,334,288	9,535,068	18,668,341
Special monitoring	-	-	-	4,771,792	4,771,792
Total	**498,759**	**1,300,227**	**7,334,288**	**14,306,860**	**23,440,133**

Loans and advances to credit institutions

Grades	**30 June 2013**	**31 December 2012**
Investment grade	-	3,247
Standard monitoring	15,032	6,517
Special monitoring	1,924,744	2,610,913
Total	**1,939,777**	**2,620,677**

Reverse repos with customers

Grades	**30 June 2013**	**31 December 2012**
Standard monitoring	23,312	35,388
Total	**23,312**	**35,388**

b) Loans and advances past due but not impaired:

30 June 2013	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
	Credit cards	Consumer/ personal loans	Mortgages		
Past due 1 - 90 days	98,789	734,709	2,667,905	5,564,706	9,066,108
Past due 91 - 180 days	28,279	188,528	535,522	1,177,925	1,930,255
Past due > 180 days	-	-	1,213,003	3,997,365	5,210,369
Total	**127,068**	**923,238**	**4,416,431**	**10,739,996**	**16,206,732**
Fair value of collateral	-	280,531	3,877,872	5,405,818	**9,564,221**

The fair value of collateral reflects the realizable value of specific collateral only (tangible, deposits, listed shares, mutual funds, counter guarantees of banks, cheques, bills of exchange, shipping documents, vested receivables from the transfer of contracts, in which personal and corporate guarantees are not included), after the application of haircuts according to the Bank's credit policy.

31 December 2012	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
	Credit cards	Consumer/ personal loans	Mortgages		
Past due 1 - 90 days	96,760	417,267	2,007,398	4,271,412	6,792,837
Past due 91 - 180 days	30,341	102,365	404,008	487,314	1,024,028
Past due > 180 days	-	-	655,504	1,553,038	2,208,541
Total	**127,101**	**519,632**	**3,066,910**	**6,311,764**	**10,025,406**
Fair value of collateral	-	142,517	2,886,625	3,266,396	**6,295,538**

c) Loans and advances impaired:

30 June 2013	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
	Credit cards	Consumer/ personal loans	Mortgages		
Impaired loans	454,926	1,782,592	1,184,539	12,569,202	**15,991,260**
Fair value of collateral	-	242,739	944,294	3,670,739	**4,857,772**

31 December 2012	**Loans to individuals**			**Loans to corporate entities**	**Total loans and advances to customers**
	Credit cards	Consumer/ personal loans	Mortgages		
Impaired loans	265,979	635,566	676,476	6,092,572	**7,670,592**
Fair value of collateral	-	82,893	551,279	2,183,234	**2,817,406**

Amounts in thousand euros (Unless otherwise stated)

5 Fair values of financial assets and liabilities

A) Financial assets and liabilities not held at fair value:

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

	Carrying value		Fair value	
Financial assets	**30 June 2013**	**31 December 2012**	**30 June 2013**	**31 December 2012**
Loans and advances to credit Institutions	1,939,777	2,620,677	1,939,777	2,620,677
Loans and advances to customers (net of provisions)	54,118,148	37,618,002	53,885,148	37,618,002
-Loans to individuals	18,840,752	13,619,462	18,726,752	13,619,462
-Loans to corporate entities	35,277,395	23,998,539	35,158,396	23,998,539
Debt securities - receivables	15,738,674	7,933,625	15,568,232	7,582,271
Reverse repos with customers	23,312	35,388	23,312	35,388

	Carrying value		Fair value	
Financial liabilities	**30 June 2013**	**31 December 2012**	**30 June 2013**	**31 December 2012**
Due to credit institutions	27,484,588	32,515,139	27,484,588	32,515,139
Due to customers	46,370,431	31,107,800	46,370,431	31,107,800
Debt securities in issue	307,476	533,703	183,456	389,229
Hybrid capital and other borrowed funds	256,269	324,141	137,628	154,826

The fair value for the 1st semester of 2013 of loans and advances to credit institutions, loans and advances to customers (net of provisions), repurchase agreements, due to credit institutions and due to customers which are measured at amortized cost, are not materially different from the respective carrying values since they bear mainly floating interest rates and as a result being re-priced at regular time periods.

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

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

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

B) Financial assets and liabilities held at fair value

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

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

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

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

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

The following tables present financial assets and liabilities measured at fair value, categorized in the three levels mentioned above, reconciliation of level 3 items for the 1st semester of 2013 and sensitivity analysis:

Financial Assets & Liabilities measured at fair value

Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments - assets	-	361,973	-	**361,973**
Trading portfolio				
-Trading Bonds & Other fixed income securities	15,727	3,052	-	**18,779**
-Trading Treasury bills & Other eligible bills	1,385	-	-	**1,385**
Financial Assets at FV through PL				
-Shares & other variable income securities	12,943	-	-	**12,943**

Amounts in thousand euros (Unless otherwise stated)

Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Available for Sale Securities				
-Bonds & Other Fixed Income Securities	692,961	26,494	-	**719,455**
-Available for sale Treasury bills	1,178,349	-	-	**1,178,349**
-Shares & Other variable income securities	212,666	-	196,939	**409,605**
Financial Liabilities				
Derivative financial instruments - liabilities	-	370,608	-	**370,608**
Liabilities at fair value through profit or loss	-	-	-	**0**

Reconciliation of Level 3 items	**Shares & Other variable Income securities**
Opening Balance	261,212
Profit/ (loss) for the period	(1,005)
Purchases and share capital increases	14,795
Impairment	(16,765)
Disposals	(5,031)
Tranfers to level 3	-
Tranfers from level 3	(56,452)
Foreign exchange differences	184
Total	**196,939**

“Transfers from level 3” refer to a company which was transferred to the associate companies portfolio from the available for sale portfolio in the second quarter of 2013, due to the Bank’s significant influence.

The Bank takes into account factors such as the economic conditions of the country in which the company is located, estimations for the future progress of the industry in which the company operates, as well as the future profitability of the company, in order to estimate the change in the fair value of the Bank participations within level 3. The following table presents the sensitivity analysis of level 3:

Sensitivity Analysis of Level 3 measurements to alternative assumptions, reflected in:	**Favourable changes**	**Unfavourable changes**
Income Statement		
Available for Sale Securities	-	(30,600)
Equity Statement		
Available for Sale Shares	6,100	-

During the 1st semester of 2013 no significant transfers from level 1 to level 2 and vice versa have taken place.

6 Capital adequacy

Weighted assets increased as a result of the acquisitions that took place in the first semester of 2013. At the same time regulatory capital increased due to the completion of the share capital increase and the negative goodwill recognized on acquisitions, resulting in a capital adequacy ratio of 15.8% as at 30/6/2013 compared to 11.0% as at 31/12/2012. A table presenting the calculation of capital adequacy ratio follows:

	30 June 2013	**31 December 2012**
Total Core Tier I capital	7,733,994	3,685,426
Total Tier I capital	7,733,994	3,685,426
Total Tier II capital	125,438	248,681
Regulatory capital	**7,859,432**	**3,934,107**
Total risk weighted assets (on and off- balance sheet items)	**49,854,786**	**35,757,932**
Core ratio Tier I capital	**15.5%**	**10.3%**
Tier I ratio	**15.5%**	**10.3%**
Total Capital Adequacy ratio	**15.8%**	**11.0%**

Amounts in thousand euros (Unless otherwise stated)

7 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:

1/1 -30/6/2013	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	343,326	271,306	(2)	70,434	(126,976)	558,087
Net fee and commission income	54,646	15,814	364	(598)	9,649	79,876
Net income	398,184	288,614	363	110,788	3,434,894	4,232,843
Segment results	(863,910)	(28,586)	(1,005)	74,094	3,386,711	2,567,303
Results before tax						**2,567,303**
Income tax						555,087
Results after tax						**3,122,391**
Other segment items						
Capital expenditure	13,372	225	35	488	27,820	41,941
Depreciation and amortisation	9,737	203	-	450	24,406	34,796
Provisions and impairment	687,176	271,512	-	-	256,481	1,215,168

1/1 -30/6/2012	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
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	(368,405)	(52,594)	(532)	(396,542)	-	(818,073)
Results before tax						**(818,073)**
Income tax						531,498
Results after tax						**(286,575)**
Other segment items						
Capital expenditure	6,620	65	-	1,112	19,868	27,665
Depreciation and amortisation	6,066	22	-	233	18,640	24,962
Provisions and impairment	510,845	142,083	-	320,695	125,801	1,099,424

	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
At 30 June 2013						
Segment assets	38,434,673	16,087,692	9,758	22,288,996	7,632,783	**84,453,903**
Segment liabilities	42,636,506	2,121,393	352,283	29,974,299	735,620	**75,820,100**
At 31 December 2012						
Segment assets	30,785,068	8,288,114	12,073	16,820,142	7,116,981	**63,022,378**
Segment liabilities	28,480,463	1,844,106	321,625	33,659,665	1,460,877	**65,766,736**

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

Amounts in thousand euros (Unless otherwise stated)

Negative goodwill due to the acquisition of the Greek banking operations of the three Cypriot banks (note 27) and of the selected assets and liabilities of former ATEbank (note 27), is included in lines "Net Income" and "Segment Results" of other business segments. Regarding profit before tax of other business segments, there is no sector that contributes more than 10%.

8 Net trading Income

Net trading income amounts to € 53.8 million gain for the period 1/1-30/6/2013, arising mainly from the buyback of hybrid capital (Tier 1) and subordinated debt (Lower Tier 2).

9 Income tax

	1/1/ - 30/6/2013	1/1/ - 30/6/2012
Current tax	-	-
Deferred tax	556,798	532,454
Provisions for tax differences	(1,711)	(956)
	555,087	**531,498**

By virtue of law 3943/2011 (Government Gazette A' 66/31.3.2011), the corporate income tax rate of legal entities in Greece for the periods commencing from 1/1/2011 and thereon, is 20% and the withholding tax rate imposed on distributed profits of legal entities is 25%.

In accordance with the regulations of the Greek Tax Law 4110/23.1.2013, for the years from 01/01/2013 and thereon, the income tax rate for legal entities increased (from 20% to 26%) whereas the tax rate for dividends distribution decreased (from 25% to 10%) for profits distribution which will be approved from 01/01/2014 and thereon. The above change of the tax rate had a positive effect on the current period results (taxes) of approximately € 0.5 billion (1st quarter of 2013), equally increasing the amount of deferred tax, recognized in financial statements.

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.

The deferred tax, estimated from the 1st quarter of 2013 by applying the new (increased) tax rate, is mainly due to tax losses of previous fiscal years as well as to the participation of the Bank in the PSI program in the year 2012. The Bank has recognized deferred tax for the total amount of its tax losses, based on the best estimates of the Management for the future evolution of the Bank's tax results which were based on the restructuring plan.

Also, It shall be noted that in accordance with the regulations of the Law 4110/23.1.2013, the losses of legal entities, arising from the exchange of Greek Government bonds or corporate bonds guaranteed by the Hellenic Republic, under application of the program for participation in the restructuring of Greek debt, are deductible from gross income in 30 equal annual installments commencing from the year that exchange of securities took place.

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2010 have been finalized. The audit of the Bank from respective tax authorities for the year 2010 was recently completed and a total amount of €4 million in income tax has been paid. The above amount did not affect the results of the 1st semester 2013 since a relevant provision was raised in previous years. For the unaudited tax years a relevant provision has been raised according to International Financial Reporting Standards (IFRS).

In accordance with the article 82 of Law 2238/94, for the year 2011 and thereafter, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme (AE) that operate in Greece are obliged to issue an Annual Tax Certificate (Tax Compliance Report) on the implementation of tax provisions on tax issues. Provided there is no qualification or other material findings result, every year will be considered as final, for tax audit purposes, eighteen months after the submission of the Tax Compliance Report to the Ministry of Finance.

For the year 2012, the tax audit for the issuance of the bank's Tax Compliance Report by PricewaterhouseCoopers S.A is in progress,with no material findings to be expected.

10 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the profit/ (loss) after tax attributable to ordinary shareholders for the 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/ - 30/6/2013	1/1/ - 30/6/2012	1/4 - 30/6/2013	1/4 - 30/6/2012
Basic and diluted earnings/ (losses) per share				
Profit/ (loss) attributable to ordinary shareholders	3,122,391	(286,575)	(538,666)	(371,154)
Weighted average number of ordinary shares in issue	158,093,775	114,984,353	205,122,236	114,984,353
Basic and diluted earnings/ (losses) per share (in euros)	19.7502	(2.4923)	(2.6261)	(3.2279)

According to the requirements of IAS 33, the weighted average number of shares has been adjusted for the comparative period from 1/1/2012 - 30/6/2012 by a 1.0057 factor, in order to adjust earnings/ (losses) per share for the discount price of the rights issue of the share capital increase. Comparative period has been also adjusted by a factor 1/10 in order to adjust earnings/ (losses) per share for the reverse split (note 23).

Amounts in thousand euros (Unless otherwise stated)

11 Analysis of other comprehensive income

1/1 - 30/6/2013	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve (note 24)	35,064	(13,446)	21,618
Amounts that can not be reclassified in the Income Statement			
Change in acturial gain/ (losses) at the defined benefit obligations	-	-	0
Other comprehensive income	**35,064**	**(13,446)**	**21,618**

1/1 - 30/6/2012	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	48,435	(9,705)	38,730
Amounts that can not be reclassified in the Income Statement			
Change in acturial gain/ (losses) at the defined benefit obligations	-	-	0
Other comprehensive income	**48,435**	**(9,705)**	**38,730**

12 Cash and balances with Central Bank

	30 June 2013	31 December 2012
Cash in hand	504,104	534,799
Nostros and sight accounts with other banks	179,239	113,732
Balances with Central Bank	248,625	555,879
Cheques clearing system - Central Bank	333,720	100,625
Blocked deposits	991,846	769,779
Mandatory reserves with Central Bank	15,900	16,592
	2,273,435	**2,091,406**

Mandatory reserves with the Central Bank and blocked deposits are not available for daily banking operations.

13 Financial assets at fair value through profit or loss

	30 June 2013	31 December 2012
Trading securities		
Greek Government bonds	18,165	5,416
Foreign Government bonds	614	54,324
Corporate entities bonds	-	95
Bank Bonds	-	56
Greek government treasury bills	1,385	21,318
Total trading securities	**20,164**	**81,209**
Other financial assets at fair value through profit or loss	**12,943**	**7,833**

14 Loans and advances to customers and debt securities - receivables

A. Loans and advances to customers	30 June 2013	31 December 2012
Mortgages	14,902,640	11,056,661
Consumer/ personal and other loans	3,701,483	2,435,077
Credit cards	1,078,583	871,368
Loans to individuals	**19,682,705**	**14,363,106**
Loans to corporate entities/ Public sector	**38,160,563**	**26,126,322**
Total loans and advances to customers	**57,843,268**	**40,489,428**
Less: Allowance for impairment of loans and advances to customers	(3,725,121)	(2,871,426)
Total loans and advances to customers	**54,118,148**	**37,618,002**

Please note that the amounts of loans have been amended by fair value adjustment, in the context of the purchase price allocation exercise of the operations acquired. The relevant adjustments incurred as at acquisition date are presented in note 4.

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

	Mortgages	Consumer/ personal and other retail loans	Credit Cards	**Total Loans to individuals**	**Loans to corporate entities/ Public sector**	**Total**
Balance at 1/1/2012	**90,732**	**306,788**	**140,531**	**538,051**	**1,860,939**	**2,398,990**
Charge for the year	24,827	65,941	1,998	92,766	565,112	657,877
Loans written-off	(8,190)	(8,909)	(3,598)	(20,697)	(563,422)	(584,119)
Foreign exchange differences	5	-	-	5	1,854	1,859
Balance at 30/6/2012	**107,374**	**363,820**	**138,931**	**610,124**	**1,864,483**	**2,474,607**
Balance at 1/7/2012	**107,374**	**363,820**	**138,931**	**610,124**	**1,864,483**	**2,474,607**
Charge for the year	37,387	73,953	37,515	148,854	876,977	1,025,831
Loans written-off	-	(7,137)	(8,192)	(15,328)	(598,388)	(613,717)
Foreign exchange differences	(5)	-	-	(5)	(4,957)	(4,961)
Other movements	-	-	-	-	(10,335)	(10,335)
Balance at 31/12/2012	**144,756**	**430,636**	**168,254**	**743,645**	**2,127,780**	**2,871,426**

Amounts in thousand euros (Unless otherwise stated)

	Mortgages	Consumer/ personal and other retail loans	Credit Cards	Total Loans to individuals	Loans to corporate entities/ Public sector	Total
Balance at 1/1/2013	**144,756**	**430,636**	**168,254**	**743,645**	**2,127,780**	**2,871,426**
Charge for the year	39,319	56,204	18,365	113,887	816,234	930,121
Loans written-off	(197)	(9,995)	(5,184)	(15,376)	(52,599)	(67,975)
Foreign exchange differences	192	321	113	626	1,969	2,595
Unwinding of interest	-	-	-	-	(11,046)	(11,046)
Balance at 30/6/2013	**184,069**	**477,165**	**181,548**	**842,782**	**2,882,338**	**3,725,121**

'Impairment losses on loans, debt securities and other receivables' in the Income Statement for the period 1/1 - 30/6/2013 includes an amount of € 24.5 million that relates to impairment losses on other receivables and an amount of € 4.2 million that relates to loans written-off directly in the income statement.

B. Debt securities - receivables

	30 June 2013	31 December 2012
Corporate entities debt securities - receivables	4,782	4,740
Bank debt securities - receivables	23,846	23,846
Greek Government bonds debt securities - receivables	1,431,048	1,415,002
Foreign Government Bonds	14,302,845	6,513,882
Total debt securities - receivables	**15,762,520**	**7,957,470**
Less: Allowance for impairment of debt securities - receivables	(23,846)	(23,846)
Total debt securities - receivables (less allowances for losses)	**15,738,674**	**7,933,625**

Debt securities - receivables as at 30/06/2013 include Greek Government Bonds of nominal value € 1,457 million, which were issued according to the requirements of Law 3723/2008 "Enhancement of the Greek economy's liquidity". From these, debt securities with nominal value of € 782 million were transferred to Piraeus Bank in order to cover the issuance of Piraeus Bank's preference shares to the Greek State of amount € 370 million in 2009 and € 380 million in 2011. Additionally, securities of € 675 million face value were acquired by the Bank in the context of the transfer of selected assets and liabilities of former ATEbank. The book value of the aforementioned securities amounted to € 1,431 million as at 30/06/2013.

Foreign government bonds include bonds issued by the European Financial Stability Fund (EFSF) of € 7,295 million, which the Bank received under the transfer agreement of selected assets and liabilities of the former ATEbank. In the aforementioned category are also included bonds of the same issuer amounting to € 6,848 million, which the Bank received as a result of the participation of the Greek Financial Stability Fund in the share capital increase of Piraeus Bank. The book value of the above mentioned debt securities amounted to € 14,303 million as at 30/6/2013.

15 Investment securities

Available for sale securities	30 June 2013	31 December 2012
Bonds and other fixed income securities		
Greek Government bonds	123,425	70,544
Foreign Government bonds and EFSF bonds	463,257	512,914
Greek Government treasury bills	1,178,349	2,871,679
Corporate bonds	131,629	334,249
Bank bonds	1,144	95,040
Total (A)	**1,897,804**	**3,884,426**
Shares and other variable income securities		
Listed shares	152,585	150,201
Unlisted shares	163,814	226,170
Mutual funds	49,050	50,368
Other Variable Income Securities	44,155	28,928
Total (B)	**409,605**	**455,666**
Total available for sale securities (A) + (B)	**2,307,409**	**4,340,092**

During the 1st half of 2013, the Bank impaired by € 19 million its "Available for sale" portfolio. The impairment is included in "Impairment of investment securities and participations".

16 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.	Tirana Bank I.B.C. S.A.	Banking activities	98.48%	Albania
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.30%	Egypt
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine

Amounts in thousand euros (Unless otherwise stated)

a/a	Name of Company	Activity	% holding	Country
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus
8.	Geniki Bank S.A.	Banking activities	99.94%	Greece
9.	Piraeus Asset Management Europe S.A.	Mutual funds management	99.94%	Luxemburg
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	94.83%	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.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia
38.	Vitria Investments S.A.	Investment company	100.00%	Panama
39.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands
40.	Piraeus Insurance - Reinsurance Broker Romania S.R.L.	Insurance and reinsurance Brokerage	95.00%	Romania
41.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases - rent-a-car and long term rental of vehicles	94.98%	Greece
42.	Piraeus Rent Doo Beograd	Operating leases	100.00%	Serbia
43.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom
44.	Piraeus Leasing Doo Beograd	Financial leasing	51.00%	Serbia
45.	Piraeus Capital Management S.A.	Venture Capital Fund	100.00%	Greece
46.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	5.67%	Greece
47.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom
48.	Piraeus Wealth Management A.E.P.E.Y.	Wealth management	65.00%	Greece
49.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
50.	Piraeus Insurance Agency S.A.	Insurance agency	95.00%	Greece
51.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom
52.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
53.	Axia III APC LTD	SPE for securitization of corporate loans	-	United Kingdom
54.	Praxis II APC LTD	SPE for securitization of consumer loans	-	United Kingdom
55.	R.E. Anodus LTD	Consultancy serv. for real estate develop. and inv.	100.00%	Cyprus
56.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus
57.	Achaia Clauss Estate S.A.	Property management	74.76%	Greece
58.	Kosmopolis A' Shopping Centers S.A.	Shopping Center's Management	100.00%	Greece
59.	Pleiades Estate S.A.	Property management	13.51%	Greece
60.	Exus Software Ltd.	IT products Retailer	50.10%	United Kingdom
61.	Piraeus Real Estate Egypt LLC	Property management	99.90%	Egypt
62.	ATE Bank Romania S.A.	Banking activities	93.27%	Romania
63.	ATE Insurance S.A.	Insurance	100.00%	Greece
64.	Centre of Sustainable Entrepreneurship Excelixi S.A. (former Atexcelixi S.A.)	Consulting Services - Hotel - Training & Seminars	100.00%	Greece
65.	Millennium Bank S.A.	Banking activities	100.00%	Greece

Companies numbered 31, 43, 47, 49 and 51-54 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 33, 34, 46, and 59, 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 37-38 are under liquidation as at 30/6/2013.

Amounts in thousand euros (Unless otherwise stated)

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.	Euroterra S.A.	Property Management	39.22%	Greece
12.	Rebikat S.A.	Property Management	40.00%	Greece
13.	Abies S.A.	Property Management	40.00%	Greece
14.	ACT SERVICES S.A.	Accounting and tax consulting	49.00%	Greece
15.	Exodus S.A.	Information technology & software	49.90%	Greece
16.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece
17.	AIK Banka	Banking activities	20.86%	Serbia
18.	Teiresias S.A.	Inter banking company. Development, operation and management of information systems	21.05%	Greece
19.	Pyrrichos S.A.	Property management	34.65%	Greece
20.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	21.02%	Greece

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

Within the current period, the Bank impaired by € 237 million the value of its subsidiaries and associates, considering the adverse developments in some countries and sectors of the Greek economy, in which its subsidiaries or associates operate. This amount is included in "Impairment of investment securities". The most significant items are related to companies which operate in Egypt (€ 64 million), the real estate management industry (€ 127 million) and the vehicle operating leases industry (€ 33 million).

17 Other assets

The decrease in "Other Assets" is mainly due to the contribution by the Hellenic Financial Stability Fund of the due difference of approximately € 0.8 bn that arose from the transfer of selected assets and liabilities of former ATEbank, which had not been paid. The finalization of the perimeter of the transferred items was completed in January 2013 and the payment of the above difference was made during the 1st Quarter of 2013 with bonds of equal value issued by the EFSF, that were classified as "Debt securities – receivables" (note 14).

18 Due to credit institutions

"Due to credit institutions" includes refinancing operations through repo transactions within the eurosystem amounting to € 15.6 billion (31/12/2012: € 31.4 billion). It is noted that the Bank regained access to the funding through ECB in mid-January 2013. The decrease in the refinancing raised from the eurosystem in the first semester of 2013, is due to the improvement of the Bank's liquidity through customer deposits as well as due to interbank repo transactions.

19 Due to customers

	30 June 2013	31 December 2012
Current and sight deposits	6,622,115	5,209,672
Savings accounts	11,035,872	9,957,571
Term deposits	28,141,269	15,667,745
Other accounts (cheques, remittances and blocked deposits)	570,592	272,592
Repurchase agreements	583	221
	46,370,431	**31,107,800**

The increase in "Due to customers" is mainly due to the acquisition of customer deposits of the Greek banking operations of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank, and also is due to the increase of the customers' deposits.

20 Debt securities in issue

	30 June 2013	31 December 2012
ETBA bonds (A)	**845**	**965**
Euro Medium Term Note		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 25.5 m. fixed rate notes due 2013	-	14,555
Accrued interest and other expenses	443	614
Total (B)	**60,443**	**75,169**
Convertible Bonds (C)	**0**	**170,388**
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	62,269	71,266
€ 1,250 m. floating rate notes due 2054	183,918	215,915
Total (D)	**246,187**	**287,181**
Total debt securities in issue (A)+(B)+(C)+(D)	**307,476**	**533,703**

Amounts in thousand euros (Unless otherwise stated)

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.

In May 2013 and in June 2013 Piraeus Bank issued two one - year senior bonds, in the total amount of € 4,576.5 milion. Both bonds were issued with unconditional and irrevocable guarantee of the Hellenic Republic, under Art. 2 of Law 3723/2008, through Piraeus Bank's EMTN programme. The bonds pay a floating rate coupon of 3M Euribor plus 1200 bps. Both bonds have been 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.

21 Hybrid capital and other borrowed funds

	30 June 2013	31 December 2012
Hybrid Capital (Tier I)		
€ 200 m. floating rate notes due 2034	18,800	59,916
	18,800	**59,916**
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	236,490	263,136
Accrued interest and other expenses	979	1,089
	237,469	**264,225**
Total hybrid capital and other borrowed funds	**256,269**	**324,141**

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

On 13 May 2013 Piraeus Bank announced a Tender Offer to purchase existing securities for cash. The Tender Offer referred to subordinated (€ 262 mio) and hybrid (€ 59 mio). On 28 May Piraeus Bank announced that it accepted offers of € 26.2 mio subordinated securities and € 39.5 mio of hybrid securities.

22 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Bank as at 30/6/2013, 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 30/6/2013 the Bank had undertaken the following commitments:

	30 June 2013	31 December 2012
Letters of guarantee	3,082,735	2,952,001
Letters of credit	40,715	35,351
Commitments to extent credit	960,673	729,028
	4,084,123	**3,716,380**

C) Assets pledged

	30 June 2013	31 December 2012
Cash and balances with Central Bank	996,724	769,779
Trading securities	9,415	16,210
Investment securities	545,792	853,549
Loans and advances to customers & debt securities - receivables	12,393,259	16,154,984
	13,945,190	**17,794,522**

Apart from the above mentioned assets, the Bank pledges debt securities own issue amounting to € 16,494 million as at 30/06/2013 (31/12/2012 - € 11,579 million). The amount of € 16,494 million includes € 9,994 million which refers to securities that had been issued with the unconditional guarantee of the Hellenic Republic, € 5,249 million that refers to securities issued under the securitization of mortgage, consumer and corporate loans of the Bank and an amount of € 1,251 million that refers to Bank's issuance of covered bonds.

Amounts in thousand euros (Unless otherwise stated)

D) Operating lease commitments

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

	30 June 2013	31 December 2012
Up to 1 year	84,164	55,249
From 1 to 5 years	342,172	228,833
More than 5 years	643,866	435,987
	1,070,202	**720,069**

Operating lease commitments increase is mainly due to the acquisition of the Greek banking operations of Cypriot Banks (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank).

23 Share capital

	Share Capital	Share premium	Total
Balance at 1 January 2012	**1,092,998**	**2,953,356**	**4,046,353**
Balance at 31 December 2012	**1,092,998**	**2,953,356**	**4,046,353**
Increase of share capital	1,487,471	6,746,680	8,234,151
Decrease in the nominal value of common shares	(308,698)	308,698	0
Balance at 30 June 2013	**2,271,770**	**10,008,735**	**12,280,505**

	Number of shares
Balance at 1 January 2012	**2,487,561,364**
Balance at 31 December 2012	**2,487,561,364**
Balance at 1 January 2013	**2,487,561,364**
Adjustment (decrease) in the number of ordinary shares due to reverse split (10:1)	(1,028,993,907)
Adjusted balance at 1 January 2013	**1,458,567,457**
Increase of share capital	4,958,235,294
Balance at 30 June 2013	**6,416,802,751**

On 1/1/2013 the Bank's share capital amounted 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.

The Extraordinary General Meeting of Shareholders which was held on 31/1/2013 resolved the issue of contingent convertible securities up to the total amount of 2 billion euro through waiver of pre-emption rights of existing shareholders of ordinary registered shares, in accordance with the provisions of the Law 3864/2010, as amended, and the Ministers' Council Act No 38/9.11.2012 (Government Gazette A' 223/2012). These contingent convertible securities would be covered by the Hellenic Financial Stability Fund (HFSF) according to the above provisions. The participation of private sector investors in the aforementioned share capital increase exceeded the minimum amount required (by law 3864/2010) and, therefore, the Bank did not proceed to the issuing of a contingent convertible bond loan to the Hellenic Financial Stability Fund (HFSF).

Pursuant to the resolutions of the 2nd Iterative Extraordinary General Meeting of its common shareholders held on 23/4/2013, as approved by virtue of a decision of the Preference Shareholder's Extraordinary General Meeting dated 23/5/2013 and further specified by virtue of its Board resolution dated 29/5/2013, Piraeus Bank implemented the following:

a) Increase of each share's nominal value from € 0.30 to € 3.00 along with a reduction of the number of the Bank's common shares from 1,143,326,564 to 114,332,657 common shares (reverse split with 10 old shares for every new share) and share capital increase for the amount of €1.80 for the purpose of achieving integer number of shares, effected through capitalisation of reserves as specified in article 4 of par. 4a of Codified Law 2190/1920,

b) the formation of a special reserve as per par. 4a of article 4 of Codified Law 2190/1920 amounting to €308,698,173.90 whereby the share capital was equally reduced through reduction of the nominal value of each common share from €3.00 to €0.30. The aforementioned amount was included in Share premium reserve.

As a result, the share capital of the Bank amounted on 3/6/2013 to € 784,299,796.08 divided to 114,332,657 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.

c) Increase of the share capital of the Bank through the issuance of new ordinary shares in order to raise funds up to € 8.429 bn partly by cash payment and by contribution in kind by the Hellenic Financial Stability Fund (HFSF). Specifically, funds of a total amount of € 8,428,999,999.80 have been raised, increasing the share capital by € 1,487,470,588.20 and 4,958,235,294 new ordinary registered shares, of € 0.30 nominal value each, have been issued in total. The Share premium reserve increased by € 6,746,680,370.97 after the reduction of the expenses related to the share capital increase and the respective deferred tax. It is noted that the expenses on share capital increase at 30/06/2013 amounted to € 263,309,514.37 before tax and € 194,849,040.63 after tax.

After the completion of the capital increase, and as at 30/6/2013, the share capital of the Bank amounts to € 2,271,770,384.28 divided to 5,072,567,951 ordinary voting registered shares, each with a nominal value of € 0.30 and (a) 77,568,134 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.

Amounts in thousand euros (Unless otherwise stated)

It is noted that, pursuant to L. 3864/2010 and the Ministerial Cabinet Act (MCA) 38/2012 combined with MCA 6/2013, the Hellenic Financial Stability Fund issued 849,195,130 Warrants to the private sector investors.

The First Iterative Ordinary General Meeting of Shareholders, held on 15/7/2013, decided not to distribute dividend for the fiscal year 2012, according to the established provisions (article 1 of Law 3723/2008 as in force, combined with the article 4 of Law 4063/2012) for the credit institutions participating in the Economy reinforcement plan.

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

24 Other reserves and retained earnings

	30 June 2013	31 December 2012
Legal reserve	69,442	69,442
Available for sale reserve	82,447	60,829
Total other reserves	**151,889**	**130,271**
Retained earnings	(3,798,591)	(6,920,981)
Total other reserves and retained earnings	**(3,646,702)**	**(6,790,710)**

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

	30 June 2013	31 December 2012
Available for sale reserve		
Opening balance for the period	60,830	(67,392)
Gains from the valuation of bonds and Greek government treasury bills	30,024	488,650
Gains from the valuation of shares and mutual funds	16,811	88,121
Recycling on shares and mutual funds impairment	2,100	8,939
Deferred income taxes	(13,446)	(31,904)
Recycling of the accumulated fair value adjustment of disposed securities	(13,871)	(425,762)
Foreign exchange differences and other adjustments	-	178
Closing balance for the period	**82,448**	**60,830**

Retained earnings movement	30 June 2013	31 December 2012
Opening balance for the period	(6,920,981)	(6,106,639)
Impact from the retrospective application of I.A.S. 19 amendment	-	13,991
Restated opening balance for the period	**(6,920,981)**	**(6,092,647)**
Impact from I.A.S. 19 Amendment after income tax recorded directly to Equity	-	(22,162)
Expenses on issue of preference shares	-	(23)
Absorption of company	-	579
Profit/ (loss) after tax for the period	3,122,391	(806,727)
Closing balance for the period	**(3,798,590)**	**(6,920,981)**

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, 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% and d) HFSF. The transactions with related parties are analysed as follows:

	30 June 2013	31 December 2012
Loans	134,909	82,254
Deposits	23,759	13,644
Liabilities (relates to interest and commisions due to HFSF that were paid on 1/7/2013)	142,754	-

Letters of guarantee and letters of credit to the above related parties as at 30/6/2013 are € 4.3 million (31/12/2012: € 1.3 million). Letters of guarantee to subsidiaries as at 30/6/2013 are € 453.2 million (31/12/2012: € 500.0 million). The total income that relates to the related parties for period 1/1 - 30/6/2013 is € 1.4 million (1/1-30/6/2012: € 1.7 million). The total expense that relates to the prementioned related parties for the period 1/1 - 30/6/2013 is € 0.3 million (1/1-30/6/2012: € 0.4 million).

Loans and letters of guarantee issued to related parties represent an insignificant part of total loans and letters of guarantee issued by the 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.

Amounts in thousand euros (Unless otherwise stated)

Directors' remuneration	**1/1 - 30/6/2013**	**1/1 - 30/6/2012**
Wages, salaries, employers' share of social contributions and charges	2,750	2,228
Provisions and payments for compensation and retirement programs	442	1,244

The increase in “Wages, salaries, employers' share of social contributions and charges” is mainly due to the addition of new members.

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel, following the secession or the vesting of benefits of particular management personnel and the adjustments that took place in the current year, amount to € 21.8 million from € 21.0 million as at 31/12/2012. It is noted that the aforementioned provisions as at 31/12/2012 have been restated from € 19.7 million to € 21.0 million as a result of the implementation of IAS 19 (Amendment) "Employee Benefits". The full amount of the above provisions has been included in the retirement benefit obligations.

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

I. Subsidiaries

Assets	**30 June 2013**	**31 December 2012**
Cash and balances with Central Bank	7,313	1,003
Loans and advances to credit institutions	1,923,157	2,608,360
Loans and advances to customers	2,020,486	682,819
Other assets	419,381	372,738
Total	**4,370,337**	**3,664,919**

Liabilities	**30 June 2013**	**31 December 2012**
Due to credit institutions	1,004,075	469,440
Due to customers	782,619	580,679
Debt securities in issue	432,821	447,898
Hybrid capital and other borrowed funds	256,269	324,141
Other liabilities	9,310	11,290
Total	**2,485,094**	**1,833,448**

Revenues	**1/1 - 30/6/2013**	**1/1 - 30/6/2012**
Interest and similar income	39,026	48,692
Fee and commission income	5,567	4,757
Other operating income	1,577	885
Total	**46,170**	**54,334**

Expenses	**1/1 - 30/6/2013**	**1/1 - 30/6/2012**
Interest expense and similar charges	(41,102)	(38,561)
Fee and commission expense	(3,231)	(5,099)
Operating expenses	(14,735)	(17,928)
Total	**(59,068)**	**(61,587)**

II. Associates	**30 June 2013**	**31 December 2012**
Deposits and other liabilities	32,082	34,660
Loans and other receivables	226,079	180,470

	1/1 - 30/6/2013	**1/1 - 30/6/2012**
Total expense	(5,007)	(4,036)
Total income	3,537	3,459

26 Restatement of comparatives

The Balance sheet accounts as at 31/12/2012 and the Income Stetements accounts for the 1st semester of 2012 have been restated as a result of the implementation of IAS 19 (Amendment) "Employee Benefits".

The restatements and the restated amounts of Piraeus Bank in the interim income statement, the interim statement of total comprehensive income and the interim statement of financial position are presented below.

Amounts in thousand euros (Unless otherwise stated)

RESTATEMENTS OF INTERIM INCOME STATEMENT

	Period from 1 January to 30 June 2012			Period from 1 April to 30 June 2012		
	Published Amounts	Restatements due to amendment to IAS 19	Restated Amounts	Published Amounts	Restatements due to amendment to IAS 19	Restated Amounts
TOTAL NET INCOME	**497,568**		**497,568**	**213,299**		**213,299**
Staff costs	(95,390)	(10)	(95,399)	(47,364)	128	(47,235)
Administrative expenses	(95,754)		(95,754)	(54,569)		(54,569)
Depreciation and amortisation	(24,962)		(24,962)	(12,290)		(12,290)
Gains/ (Losses) from sale of assets	(102)		(102)	(100)		(100)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(216,208)**	**(10)**	**(216,217)**	**(114,323)**	**128**	**(114,194)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**281,360**	**(10)**	**281,351**	**98,977**	**128**	**99,105**
Impairment losses on loans, debt securities and other receivables	(666,773)		(666,773)	(425,094)		(425,094)
Impairment on investment securities	(432,651)		(432,651)	(124,191)		(124,191)
PROFIT/ (LOSS) BEFORE INCOME TAX	**(818,063)**	**(10)**	**(818,073)**	**(450,309)**	**128**	**(450,180)**
Income tax	531,496	2	531,498	79,051	(26)	79,025
PROFIT/ (LOSS) AFTER TAX	**(286,567)**	**(8)**	**(286,575)**	**(371,257)**	**102**	**(371,154)**
Earnings/ (losses) per share (in euros):						
- Basic and Diluted	(2.4922)	(0.0001)	(2.4923)	(3.2288)	0.0009	(3.2279)

RESTATEMENTS OF INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Period from 1 January to 30 June 2012			Period from 1 April to 30 June 2012		
	Published Amounts	Restatements due to amendment to IAS 19	Restated Amounts	Published Amounts	Restatements due to amendment to IAS 19	Restated Amounts
Profit/ (loss) after tax for the period (A)	**(286,567)**	**(8)**	**(286,575)**	**(371,257)**	**102**	**(371,154)**
Other comprehensive income, net of tax:						
Amounts that can be reclassified in the Income Statement						
Net change in available for sale reserve	38,730		38,730	(298)		(298)
Amounts that can not be reclassified in the Income Statement						
Change in actuarial gains/ (losses) of defined benefit obligation	-	-	0	-	-	0
Other comprehensive income, net of tax (B)	**38,730**	**0**	**38,730**	**(298)**	**0**	**(298)**
Total comprehensive income, net of tax (A+B)	**(247,837)**	**(8)**	**(247,845)**	**(371,555)**	**102**	**(371,453)**

RESTATEMENTS OF STATEMENT OF FINANCIAL POSITION

	31 December 2012		
	Published Amounts	Restatements due to amendment to IAS 19	Restated Amounts
ASSETS			
Deferred tax assets	1,754,746	2,558	1,757,304
Other assets accounts	61,265,074		61,265,074
TOTAL ASSETS	**63,019,820**	**2,558**	**63,022,379**
LIABILITIES			
Retirement benefit obligations	118,472	12,792	131,264
Other liabilities accounts	65,635,471		65,635,471
TOTAL LIABILITIES	**65,753,944**	**12,792**	**65,766,735**
EQUITY			
Share capital	1,092,998		1,092,998
Share premium	2,953,356		2,953,356
Other reserves	130,271		130,271
Retained earnings	(6,910,748)	(10,233)	(6,920,981)
TOTAL EQUITY	**(2,734,123)**	**(10,233)**	**(2,744,356)**
TOTAL LIABILITIES AND EQUITY	**63,019,820**	**2,558**	**63,022,379**

27 Acquisition of banking operations and completion of their purchase price allocation

a) Acquisition of the Greek banking operations of Cypriot Banks (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank)

On 26/3/2013, Piraeus Bank acquired the Greek banking operations of Bank of Cyprus, Cyprus Popular Bank (CPB) and Hellenic Bank, for a total consideration of € 524 million, through a special process, under the aegis of European Union, which determined the perimeter of the transferred operation, the terms and the consideration. The Greek Banking operations include the staff, the branch network, the loans and the deposits of the aforementioned Cypriot banks, including the loans and the deposits of their subsidiaries in Greece (leasing, factoring and Investment Bank of Greece – IBG). It is noted that in the 2nd quarter of 2013, Piraeus Bank acquired additional operations (custody services, settlement services for the transactions of the Cypriot branch network in Greece, etc.), without affecting the acquired assets and liabilities of the aforementioned banks.

The Bank´s management, for the scope of the purchase price allocation, encountered the above acquisitions as a single transaction, due to their peculiarities and special characteristics.

For the allocation of the acquisition cost, the Bank applied the rules of IFRS 3 "Business Combinations", adjusting the assets, liabilities and contingent liabilities of the acquired Greek banking operations at their fair values. It is noted that the loans and advances to customers have been valued at their fair values according to IAS 39 by independent international audit firm.

The allocation of acquisition cost was completed in the 1st quarter of 2013 and therefore the total fair values of assets and liabilities acquired, are presented in the table below:

(amounts in thousand €)	Total Fair Values
Assets	
Loans and advances to customers	18,517,475
Intangible assets	14,414
Property, plant and equipment	108,988
Other assets	289,965
Total Assets	**18,930,842**
Liabilities	
Due to customers	14,968,929
Retirement benefit obligation	23,310
Other liabilities	911
Total Liabilities	**14,993,150**
Shareholders' Equity	3,937,692
Total liabilities and shareholders' equity	**18,930,842**
Cost of acquisition	**524,000**
Net assets acquired	**100%**
Negative goodwill	**3,413,692**

The amount of negative goodwill was recognized in the income statement of the 1st semester 2013. The amount of negative goodwill is related to the special circumstances prevailing as at the transaction date, in combination with the IFRS valuation techniques regarding the fair values of financial instruments, according to which market data must be highly used and entity related data should be avoided as much as possible.

The table below presents the total net income, the expenses and the profit before tax of the Greek operations of three Cypriot banks that resulted after the acquisition date, as well as the respective amounts which would have resulted for the Bank if their acquisition had occurred on 1/1/2013. It is noted that, as the transfer of the loans and the deposits of the Greek banking operations of the three Cypriot banks was carried out at the closure of 15/3/2013, the results related to the above loans and deposits were accounted from 16/3/2013.

	Results of 1st semester 2013	Post acquisition results
Total net income	251,121	155,443
Total expenses and provisions	(454,829)	(136,059)
Profit before tax	(203,708)	19,384

b) Completion of the purchase price allocation of former ATEbank S.A.

Piraeus Bank applied the rules of IFRS 3 "Business Combinations" and completed within 12 months from the acquisition date the allocation of the acquisition cost of former ATEbank S.A. to the assets and liabilities acquired. It is noted that loans and advances to customers have been valued by independent international audit firm and that properties have been valued by independent valuers.

The total fair values of the assets and liabilities acquired, are presented in the table below:

(amounts in thousand €)	**Acquisition of assets and liabilities of former ATEbank**
Assets	
Loans and advances to credit institutions	259,974
Loans and advances to customers and debt securities - receivables	11,202,819
Available for sale securities	1,133,380
Funding gap	7,479,715
Property, plant and equipment	554,657
Other assets	1,160,926
Total assets	**21,791,471**
Liabilities	
Due to credit institutions	6,497,762
Due to customers	14,870,979
Other liabilities	243,385
Total liabilities	**21,612,126**
Shareholders equity	179,345
Total liabilities and shareholders equity	**21,791,471**
Total consideration	**95,000**
Net assets acquired	**100.00%**
Negative goodwill	**84,345**

The negative goodwill of € 84.4 million has been recognized in "Negative goodwill due to acquisitions" in the income statement for the 1st semester of 2013. The aforementioned negative goodwill is due to the significant benefits derived from the acquisition of selective assets and liabilities of former ATEbank S.A., which included a performing portfolio with high interest rate yields.

28 Events subsequent to the end of the Interim period

There are no significant post balance sheet events.

Athens, August 28th, 2013

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

PIRAEUS BANK S.A.

General commercial registry number 225501000
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 2013 to 30th June 2013

(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.piraeusbankgroup.com
Date of approval by the Board of Directors of the interim condensed financial information for the period ended as at June 30th, 2013:	August 28th, 2013
The certified auditor:	Dimitrios A. Sourbis
Auditing company:	PricewaterhouseCoopers S.A.
Type of review report:	Non qualified

STATEMENT OF FINANCIAL POSITION

Amounts in thousand euros

	GROUP				BANK			
	30 June 2013		31 December 2012		30 June 2013		31 December 2012	
ASSETS								
Cash and balances with Central Banks		3,437,904		3,307,503		2,273,435		2,091,406
Loans and advances to credit institutions		339,266		380,384		1,939,777		2,620,677
Derivative financial instruments - assets		454,941		441,317		361,973		423,395
Trading securities		230,652		362,868		20,164		81,209
Financial instruments at fair value through profit or loss		12,943		7,833		12,943		7,833
Reverse repos with customers		23,873		35,924		23,312		35,388
Loans and advances to customers (net of provisions)		63,316,846		44,612,686		54,118,148		37,618,002
Debt securities - receivables		15,779,650		8,015,997		15,738,674		7,933,625
Investment securities								
Available for sale securities	2,827,592		4,836,475		2,307,409		4,340,092	
Held to maturity	73,974	2,901,566	74,006	4,910,481	-	2,307,409	-	4,340,092
Investments in associated undertakings		341,085		301,696		286,077		240,239
Investments in subsidiaries		-		-		1,710,299		1,921,587
Intangible assets		310,252		409,755		191,676		256,483
Property, plant and equipment		1,443,635		1,324,491		753,126		631,788
Investment property		964,754		1,078,513		303,143		435,871
Assets held for sale		21,613		15,537		10,359		-
Other assets								
Deferred tax assets	2,627,239		1,897,474		2,339,299		1,757,305	
Inventories property	491,448		332,057		304,487		150,799	
Other assets	1,985,175	5,103,862	2,596,811	4,826,342	1,759,602	4,403,388	2,476,680	4,384,784
Assets from discontinued operations		343,312		377,150		-		-
TOTAL ASSETS		95,026,154		70,408,477		84,453,903		63,022,379
LIABILITIES								
Due to credit insitutions		27,430,451		32,561,322		27,484,588		32,515,139
Liabilities at fair value through profit or loss		-		21,953		-		21,953
Derivative financial instruments - liabilities		457,766		423,519		370,608		419,846
Due to customers		54,733,284		36,971,208		46,370,431		31,107,800
Debt securities in issue		404,091		533,702		307,476		533,703
Hybrid capital and other borrowed funds								
Hybrid capital (Tier I)	18,800		59,916		18,800		59,916	
Subordinated debt capital (Tier II)	237,469	256,269	264,225	324,141	237,469	256,269	264,225	324,141
Other liabilities								
Retirement benefit obligations	212,935		183,238		160,322		131,264	
Deferred tax liabilities	40,300		37,215		-		-	
Other provisions	33,301		22,136		1,259		232	
Current income tax liabilities	18,166		12,996		8,341		6,730	
Other liabilities	1,389,006	1,693,708	1,035,700	1,291,285	860,806	1,030,728	705,927	844,153
Liabilities from discontinued operations		588,210		605,654		-		-
Total Liabilities		85,563,779		72,732,784		75,820,100		65,766,735
EQUITY								
Share Capital		2,271,770		1,092,998		2,271,770		1,092,998
Share premium		10,008,734		2,953,356		10,008,734		2,953,356
Less: Treasury shares		(140)		(36)		-		-
Other reserves and retained earnings		(2,950,885)		(6,508,421)		(3,646,701)		(6,790,710)
Amounts recognized directly in equity relating to non-current assets from discontinued operations		11,578		9,301		-		-
Capital and reserves attributable to equity holders of the parent entity		9,341,057		(2,452,802)		8,633,803		(2,744,356)
Non controlling interest		121,318		128,495		-		-
Total Equity		9,462,375		(2,324,307)		8,633,803		(2,744,356)
TOTAL LIABILITIES AND EQUITY		95,026,154		70,408,477		84,453,903		63,022,379

STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euros

	GROUP			BANK		
	1 Jan - 30 Jun 2013	1 Jul - 31 Dec 2012	1 Jan - 30 Jun 2012	1 Jan - 30 Jun 2013	1 Jul - 31 Dec 2012	1 Jan - 30 Jun 2012
Opening balance	(2,324,307)	(2,258,672)	(1,939,838)	(2,744,356)	(2,292,559)	(2,058,682)
Impact from the retrospective application of I.A.S. 19 amendment	-	(21,574)	11,077	-	(22,162)	13,992
Total comprehensive income for the period, net of tax	3,554,954	(46,405)	(329,995)	3,144,008	(430,660)	(247,846)
Increase of share capital	8,234,151	-	-	8,234,151	-	-
Expenses on issue of preference shares	-	-	(23)	-	-	(23)
Prior year dividends of ordinary shares	-	(187)	(63)	-	-	-
(Purchases)/ sales of treasury shares	(59)	182	189	-	-	-
Expenses on Increase of share capital of subsidiary company	(1,449)	-	-	-	-	-
Acquisitions, disposals, absorprions, liquidation and movement in participating interest	(915)	2,349	(19)	-	1,025	-
Closing balance	9,462,375	(2,324,307)	(2,258,672)	8,633,803	(2,744,356)	(2,292,559)

CASH FLOW STATEMENT

Amounts in thousand euros

	GROUP		BANK	
	1 Jan - 30 Jun 2013	1 Jan - 30 Jun 2012	1 Jan - 30 Jun 2013	1 Jan - 30 Jun 2012
Net cash inflow/ (outflow) from continuing operating activities	(3,117,574)	(830,374)	(2,749,502)	(1,009,773)
Net cash inflow/ (outflow) from discontinued operating activities	(36,771)	2,168	-	-
Total inflows/ (outflows) from operating activities	(3,154,345)	(828,206)	(2,749,502)	(1,009,773)
Net cash inflow/ (outflow) from continuing investing activities	2,079,572	1,134,397	1,777,825	1,124,483
Net cash inflow/ (outflow) from discontinued investing activities	36,826	4,984	-	-
Total inflows/ (outflows) from investing activities	2,116,398	1,139,381	1,777,825	1,124,483
Net cash inflow/ (outflow) from continuing financing activities	922,073	(378,984)	914,515	(383,324)
Net cash inflow/ (outflow) from discontinued financing activities	-	110	-	-
Total inflows/ (outflows) from financing activities	922,073	(378,874)	914,515	(383,324)
Net increase/ (decrease) in cash and cash equivalents of the period	(115,874)	(67,699)	(57,162)	(268,618)
Effect of exchange rate changes on cash and cash equivalents	(15,747)	2,637	(12,046)	(4)
Total inflows/ (outflows) for the period	(131,621)	(65,062)	(69,208)	(268,618)
Cash and cash equivalents at the beginning of the period	2,473,085	2,681,134	1,389,561	1,841,272
Cash and cash equivalents at the acquisition date, of assets and liabilities of Cypriot banks' network in Greece	11,696	-	11,696	-
Cash and cash equivalents at the end of the period	2,353,160	2,616,072	1,332,049	1,572,654

Notes:

1) The accounting policies, adopted by the Group according to the International Financial Reporting Standards (IFRS), have been applied in consistency with those in the annual financial statements of the year 2012. Relevant disclosure is note 2 of the Stand alone and the Consolidated Interim Condensed Financial Information.

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

3) Tax authorities have audited Piraeus Bank's tax position for the years up to and including 2010. The unaudited tax years of Group subsidiaries are included in note 17 of the Consolidated Interim Condensed Financial Information. For the year 2012, the tax audit for the issuance of the Bank's Tax Compliance Report by "PricewaterhouseCoopers S.A." is in progress, with no material findings to be expected.

4) All disputes under litigation or arbitration, as well as the pending court decisions, are not expected to have a significant effect on the financial position of the Bank and the Group. Therefore the Bank has not raised a provision for outstanding litigations, whereas the Group's provision amounts to € 11.6 million from continuing operations and € 2.2 million from discontinued operations. The provision raised for the unaudited tax years of the Bank, which is included in the current tax liabilities, amounts to € 8.4 million and of the Group amounts to € 11.9 million. Other provisions raised for the Bank amount to € 1.3 million and for the Group to € 21.7 million from continuing operations and € 538.1 million from discontinued operations.

5) The companies which have been consolidated as at 30/6/2013, apart from the parent company Piraeus Bank S.A., are included in note 17 of the Consolidated Interim Condensed Financial Information. Note 17 includes information about the country of incorporation, the percentage of holding by the Group, as well as the percentage of holding by the Bank. The direct shareholding percentages by the Bank are included in note 16 of the Bank's Interim Condensed Financial Information.

6) The following companies that are consolidated under the full method of consolidation as at 30/6/2013, had not been included in the consolidation as at 30/6/2012: a) "Exus Software Ltd", b) "ATEbank Romania S.A.", c) "ATE Insurance S.A.", d) "ATE Insurance Romania S.A.", e) "Piraeus Jeremie Technology Catalyst Management S.A.", f) "Proiect Season Residence SRL", g) "KPM Energy S.A.", h) "Solum Enterprise LLC", i) "Geniki Bank S.A.", j) "Geniki Leasing S.A.", k) "Geniki Financial & Consulting Services S.A.", l) "Geniki Insurance Agency S.A.", m) "Geniki Information S.A.", n) "Centre of Sustainable Entrepreneurship Excelixi S.A." (former Atexcelixi S.A.), o) "General Business Management Investitii S.R.L.", p) "Piraeus Bank (Cyprus) Nominees Limited", q) "Millennium Bank S.A.", r) "Mille Fin S.A.", s) "Millennium A.E.D.A.K.", t) "Kion Mortgage Finance Plc", u) "Kion Mortgage Finance No.3 Plc" and v) "Kion CLO Finance No.1 Plc". From these companies, the companies numbered (a)-(o) were consolidated under the full method of consolidation as at 31/3/2013, as well. The company numbered (a) was established during the 1st quarter of 2012 and started operating during the 3rd quarter of 2012. The companies numbered (b)–(d) were acquired in July 2012 in the context of the acquisition of the former ATEbank's S.A. assets and liabilities. The company numbered (e) was acquired in August 2012, while the company numbered (f) was established in September 2012. The company numbered (g) was acquired in October 2012, while the company numbered (h) was acquired in November 2012. The company numbered (i) and its subsidiary companies (j)–(m) were acquired in December 2012. Following the finalization of the acquired perimeter of the selected balance sheet items under special liquidation Agricultural Bank of Greece S.A. dated 24/1/2013, 100% of the company numbered (n) was acquired, whereas the company numbered (o) was established in February 2013. The company numbered (p) was established within 2012 and started operating during the 2nd quarter of 2013, whereas the company numbered (q) was acquired in June 2013. In the context of the prementioned acquisition of company (q), its subsidiary companies numbered (r)–(s) as well as the special purpose entities numbered (t)–(v) were acquired. Further information is provided in note 28 of the Consolidated Interim Condensed Financial Information. The companies: a) Piraeus Best Leasing Bulgaria EAD, b) Piraeus Auto Leasing Bulgaria EAD, c) Piraeus Cards S.A., d) Marathon Banking Corporation, e) Piraeus Wealth Management (Switzerland) S.A., f) Imperial Stockbrokers LTD, g) Imperial Eurobrokers LTD, h) Euroinvestment Mutual Funds LTD and i) Bull Fund LTD, that were fully consolidated as at 30/6/2012, are not included in the consolidation as at 30/6/2013. The companies numbered (a)-(b) were absorbed in July 2012 by the subsidiary company Piraeus Leasing Bulgaria EAD, while the company numbered (c) was absorbed in September 2012 by Piraeus Bank. The sale of company numbered (d), a subsidiary of the Bank, was realized in the 3rd quarter of 2012. The company numbered (e) was dissolved in December 2012, whereas the companies numbered (f)–(i) were dissolved in March 2013. In addition, the company "ABG Mutual Funds Management Company S.A." that was fully consolidated as at 31/3/2013, is not included in the consolidation as at 30/6/2013 since it was absorbed in June 2013 by the subsidiary company "Piraeus Asset Management S.A.". The companies "Estia Mortgage Finance PLC", "Estia Mortgage Finance II PLC", "Axia Finance PLC", "Axia Finance III PLC", "Axia III APC Limited", "Praxis Finance PLC", "Praxis II Finance PLC" and "Praxis II APC Limited" are consolidated as special purpose entities. Note 29 of the Consolidated Interim Condensed Financial Information includes information about the changes in the subsidiaries' portfolio of the Group. During the 2nd quarter of 2012, Marathon Banking Corporation has been transferred from Investments in Subsidiaries to "Assets held for sale" as the classification criteria of IFRS 5 were met. During the 3rd quarter of 2012, "ATE Insurance S.A." and "ATE Insurance Romania S.A." have been included in the Assets held for sale as at the acquisition date, as the classification criteria of IFRS 5 are met. Therefore, the financial figures and results of "ATE Insurance S.A." and "ATE Insurance Romania S.A.", as well as the results of "Marathon Banking Corporation" until the date of its disposal during the 3rd quarter of 2012, are presented as "Discontinued operations". Relevant are the notes 9, 17 and 19 of the Consolidated Interim Condensed Financial Information. The subsidiaries that are excluded from the consolidation are as follows: a) "Asbestos Mines S.A.", b) "Hellenic Industry of Aluminum", c) "Olividio Co. Ltd", d) "ELSYP S.A.", e) "Blue Wings Ltd", f) "Piraeus Bank's Congress Centre", g) "Piraeus Bank Group Cultural Foundation", h) "Procas Holding Ltd", i) "Torborg Maritime Inc.", j) "Isham Marine Corp.", k) "Cybele Management Company", l) "Alegre Shipping Ltd.", m) "Maximus Chartering Co." and n) "Lantana Navigation Corp.". The companies numbered (a)-(d) are fully depreciated, under liquidation or dissolution status. The financial data of the companies (e)-(g) are included in the financial statements of the parent company Piraeus Bank S.A. and consequently, in the consolidated financial statements. The company numbered (h) has not started operating yet. The companies numbered (i)-(n) have been inactivated and they will be set under liquidation. The consolidation of the above mentioned companies does not affect the financial position and result of the Group.

7) The following companies that are consolidated under the equity method of accounting as at 30/6/2013, had not been included in the consolidation as at 30/6/2012: a) "AIK Banka", b) "Teiresias S.A.", c) "PJ Tech Catalyst Fund", d) "Pyrrichos S.A." and e) "Hellenic Seaways Maritime S.A." From these companies, the companies numbered (a)-(d) were consolidated under the equity method of accounting as at 31/3/2013, as well. The company numbered (a) was acquired in July 2012 in the context of the acquisition of the former ATEbank's S.A. assets and liabilities, while the company numbered (b) was transferred during the 3rd quarter of 2012 from the available for sale portfolio to the associates' portfolio as a result of the increase of the Bank's shareholding percentage in the company through the abovementioned acquisition. The company numbered (c) was established during the 3rd quarter of 2012 and started operating during the 4th quarter of 2012. The company numbered (d) was transferred during the 4th quarter of 2012 to the associates' portfolio as significant influence was achieved, whereas the company numbered (e) was transferred during the 2nd quarter of 2013 to the associates' portfolio as a result of the increase of the Bank's shareholding percentage in the company. The company "Ekatharisis Aktoploias S.A." is not included in the consolidation as at 30/6/2013, as well as at 31/3/2013, due to liquidation. Note 29 of the Consolidated Interim Condensed Financial Information includes information about the changes in the associates' portfolio of the Group. As at 30/6/2013, as well as at 31/3/2013, the associate company "Evrytania S.A. Agricultural Development Company" has been excluded from the consolidation since it is under idle status.

8) The Group's balances with related parties are as follows: assets € 382.3 million, liabilities € 58.8 million, letters of guarantee € 4.3 million, income € 7.1 million and expense € 11.0 million. The Bank's balances with related parties (subsidiaries included) are as follows: assets € 4,731.3 million, liabilities € 2,540.9 million, letters of guarantee € 457.5 million, income € 51.1 million and expense € 64.4 million. The balances of assets and liabilities of the Group with members of the Board of Directors and key management personnel amount to € 142.8 million and € 26.2 million respectively. The respective amounts for the Bank amount to € 134.9 million and € 23.8 million. The transactions and remuneration of the Bank and its Group with the members of the Board of Directors and key management personnel amount to € 3.2 million. Finally, the Bank's and the Group's balances with HFSF relate to interest and commission due to the HFSF of € 142.8 million.

9) As at 30/6/2013 subsidiary company of Piraeus Group owned a total number of 73,579 treasury shares of the parent company Piraeus Bank S.A., at a value of € 140 thousand. The Bank did not hold any treasury shares as at 30/6/2013. Relevant information is provided in note 25 of the Consolidated Interim Condensed Financial Information.

10) At the Statement of Total Comprehensive Income of the Consolidated and Stand alone Interim Condensed Financial Information, "Other comprehensive income, net of tax" includes as amounts that can be reclassified in the Income Statement, the change in currency translation reserve of € 6.60 million from continuing operations and € 0.03 million from discontinued operations for the Group and the change in available for sale reserve of € 20.46 million from continuing operations and € 2.31 million from discontinued operations for the Group and € 21.62 million for the Bank.

11) Restatements of the figures of the period 1/1–30/6/2012 in the Stand alone as well as the Consolidated Interim Condensed Financial Information of 30 June 2013 were presented as a result of the retrospective implementation of IAS 19 (Amendment) "Employee Benefits". Further information concerning these restatements is provided in note 26 of the Bank's Interim Condensed Financial Information as well as note 30 of the Consolidated Interim Condensed Financial Information.

12) On January 31st, 2013, Piraeus Bank resolved the issuance of contingent convertible securities up to a total amount of €2 bn through waiver of pre-emption rights of existing shareholders of ordinary registered shares, in accordance with the provisions of L.3864/2010, as amended, and the Ministers' Council Act no 38/9.11.2012 (Government Gazette 223/2012), as a result of the voting of resolutions carried at the 2nd Iterative General Meeting of Shareholders holding ordinary shares. The participation of private sector investors in the Bank's share capital increase exceeded the minimum amount required (by law 3864/2010) and therefore, the Bank did not proceed to the issuing of a contingent convertible bond loan to the Hellenic Financial Stability Fund (HFSF).

13) On March 1st, 2013, Piraeus Bank submitted a Mandatory Tender Offer to the shareholders of Geniki Bank of Greece SA. The submitted Tender Offer encompasses the total number of the common shares of Geniki Bank which Piraeus Bank did not hold on the 17th of December 2012 (date of Tender Offer), which corresponds to the acquisition of 159,731 common shares of Geniki Bank or 0.92% of the total paid-up share capital along with its voting rights, for the price of € 6.86 per share, paid in cash.

14) On 26/3/2013, Piraeus Bank Group acquired the Greek banking operations of Bank of Cyprus, Cyprus Popular Bank (CPB) and Hellenic Bank, for a total consideration of € 524 mn. The Greek Banking operations include the staff, the branch network in Greece, the loans and the deposits of the aforementioned Cypriot banks, including the loans and the deposits of their subsidiaries in Greece (leasing, factoring and Investment Bank of Greece – IBG). The "perimeter", i.e. the transferred balance sheet items and the consideration, was defined by the European Authorities. Negative goodwill of € 3,414 mn resulted from this acquisition. Relevant is note 27 of the Bank's Interim Condensed Financial Information and note 28 of Consolidated Interim Condensed Financial Information. Excluding the negative goodwill, that equally affected the turnover, profit before and after tax as well as total equity, the relevant event didn't result in a change above 25% of the turnover or/and the profit after tax, or/and the total equity attributable to the shareholders.

15) On the 10th April 2013, Piraeus Bank received EFSF bonds of €570 million nominal value from the Hellenic Financial Stability Fund, which are designated to cover capital needs relating to the acquisition of the selected assets and liabilities of ATEbank.

16) On the 18th April 2013, Piraeus Bank signed an agreement for the sale of its total shareholding (93.27%) in the share capital of ATEbank Romania S.A., for the consideration of €10.3 million. The aforementioned transfer will take place following the prior completion of the spin-off of the majority of the assets and liabilities of the subsidiary and contribution of the same to Piraeus Bank Romania S.A. The agreement is subject to regulatory approvals.

17) On the 13th May 2013, Piraeus Bank announced the Tender Offer to purchase existing securities for cash. This Tender Offer referred to subordinated and hybrid securities totalling €321 mn. On 28 May 2013, Piraeus Bank announced that it accepted offers of € 26.2 mn subordinated securities and € 39.5 mn of hybrid securitie

18) Pursuant to the resolutions of the 2nd Iterative Extraordinary General Meeting of its common shareholders held on 23/4/2013, as approved by virtue of a decision of the Preference Shareholder's Extraordinary General Meeting dated 23/5/2013 and further specified by virtue of its Board resolution dated 29/5/2013, Piraeus Bank implemented the following:

a) Increase of each share's nominal value from € 0.30 to € 3.00 along with a reduction of the number of the Bank's common shares from 1,143,326,564 to 114,332,657 common shares (reverse split with 10 old shares for every new share) and share capital increase for the amount of € 1.80 for the purpose of achieving integer number of shares, effected through capitalisation of reserves as specified in article 4 of par. 4a of Codified Law 2190/1920,

b) The formation of a special reserve as per par. 4a of article 4 of Codified Law 2190/1920 amounting to €308,698,173.90 whereby the share capital was equally reduced through reductio of the nominal value of each common share from €3.00 to €0.30. The aforementioned amount was included in Share premium reserve.

As a result, the share capital of the Bank amounted on 3/6/2013 to € 784,299,796.08 divided to 114,332,657 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.

c) Increase of the share capital of the Bank through the issuance of new ordinary shares in order to raise funds up to € 8.429 bn partly by cash payment and by contribution in kind by the Hellenic Financial Stability Fund (HFSF). Specifically, funds of a total amount of € 8,428,999,999.80 have been raised, increasing the share capital by € 1,487,470,588.20 and 4,958,235,294 new ordinary registered shares, of € 0.30 nominal value each, have been issued in total. The Share premium reserve increased by € 6,746,680,370.97 after the reduction of the expenses related to the share capital increase and the respective deferred tax. It is noted that the expenses on share capital increase at 30/06/2013 amounted to € 263,309,514.37 before tax and € 194,849,040.63 after tax.

After the completion of the capital increase, and as at 30/6/2013, the share capital of the Bank amounts to € 2,271,770,384.28 divided to 5,072,567,951 ordinary voting registered shares, each with a nominal value of € 0.30 and (a) 77,568,134 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.

19) Piraeus Bank Group completed within 12 months from the acquisition date the allocation of the acquisition cost of former ATEbank S.A. to the assets and liabilities acquired. Negative goodwill of € 64.4 mn resulted from this acquisition. Relevant is note 27 of the Bank's Interim Condensed Financial Information and note 28 of Consolidated Interim Condensed Financial Information. The relevant event didn't result in a change above 25% of the turnover or/and the profit after tax, or/and the total equity attributable to the shareholders.

20) On 19/6/2013, Piraeus Bank Group completed the acquisition of the 100% of Millennium BCP's subsidiary in Greece Millennium Bank S.A., for a total consideration of € 1 million. Negative goodwill of € 308.4 mn resulted from this acquisition. Relevant is note 28 of Consolidated Interim Condensed Financial Information. The relevant event didn't result in a change above 25% of the turnover or/and the profit after tax, or/and the total equity attributable to the shareholders.

21) The First Iterative Ordinary General Meeting of Shareholders, held on 15/7/2013, decided not to distribute dividend for the fiscal year 2012, according to the established provisions (article 1 of Law 3723/2008 as in force, combined with the article 4 of Law 4063/2012) for the credit institutions participating in the Economy reinforcement plan.

22) On June 30th 2013, the number of staff employed by the Bank was 14,621 people and by the Group 25,017 people of which 274 people refer to discontinued operations (ATE Insurance S.A., ATE Insurance Romania S.A.). The number of staff employed by the Bank as at 30 June 2012 was 4,528 people and by the Group 12,280 people of which 153 people referred to discontinued operations (Marathon Banking Corporation).

STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in thousand euros

GROUP

	1 Jan - 30 Jun 2013 Continuing operations	1 Jan - 30 Jun 2013 Discontinued operations	1 Jan - 30 Jun 2013 Total	1 Jan - 30 Jun 2012 Continuing operations	1 Jan - 30 Jun 2012 Discontinued operations	1 Jan - 30 Jun 2012 Total	1 Apr - 30 Jun 2013 Continuing operations	1 Apr - 30 Jun 2013 Discontinued operations	1 Apr - 30 Jun 2013 Total	1 Apr - 30 Jun 2012 Continuing operations	1 Apr - 30 Jun 2012 Discontinued operations	1 Apr - 30 Jun 2012 Total
Interest and similar income	1,707,766	1,036	1,708,802	1,305,834	13,769	1,319,603	944,118	522	944,640	611,003	7,051	618,054
Interest expenses and similar charges	(974,094)	(112)	(974,206)	(897,464)	(1,820)	(899,284)	(524,965)	(58)	(525,023)	(437,857)	(863)	(438,720)
Net interest income	733,672	924	734,596	408,370	11,949	420,319	419,153	464	419,617	173,146	6,188	179,334
Fee and commission income	141,254	-	141,254	103,026	677	103,703	78,197	-	78,197	50,232	350	50,582
Fee and commission expense	(19,468)	(18)	(19,486)	(13,805)	(145)	(13,950)	(11,433)	(6)	(11,439)	(6,812)	(76)	(6,888)
Net fee and commission income	121,786	(18)	121,768	89,221	532	89,753	66,764	(6)	66,758	43,420	274	43,694
Dividend income	5,300	6	5,306	1,938	59	1,997	5,181	6	5,187	1,852	30	1,882
Net trading income	55,580	3,399	58,979	210,934	-	210,934	15,377	2,809	18,186	113,603	-	113,603
Net income from financial instruments designated at fair value through profit or loss	5,146	-	5,146	2,440	-	2,440	591	-	591	425	-	425
Results from investment securities	13,789	-	13,789	(645)	-	(645)	7,643	-	7,643	(441)	-	(441)
Other operating income/ (expense)	20,421	33,536	53,957	(5,772)	278	(5,494)	9,257	16,970	26,227	(19,865)	143	(19,722)
Negative goodwill due to acquisitions	3,810,338	-	3,810,338	-	-	-	396,647	-	396,647	-	-	-
Total net income	4,766,032	37,847	4,803,879	706,486	12,818	719,304	920,613	20,243	940,856	312,140	6,635	318,775
Staff costs	(347,197)	(8,746)	(355,943)	(169,815)	(4,485)	(174,300)	(198,572)	(4,532)	(203,104)	(85,264)	(2,237)	(87,501)
Administrative expenses	(237,126)	(5,418)	(242,544)	(147,029)	(3,419)	(150,448)	(149,400)	(3,239)	(152,639)	(81,968)	(1,765)	(83,733)
Gains/ (Losses) from sale of assets	452	(1)	451	(206)	-	(206)	151	(5)	146	(243)	-	(243)
Depreciation and amortisation	(60,264)	(923)	(61,187)	(51,967)	(770)	(52,737)	(32,629)	(465)	(33,094)	(23,818)	(387)	(24,205)
Total operating expenses before provisions	(644,135)	(15,088)	(659,223)	(369,017)	(8,674)	(377,691)	(380,450)	(8,241)	(388,691)	(191,293)	(4,389)	(195,682)
Profit before provisions, impairment and income tax	4,121,897	22,759	4,144,656	337,469	4,144	341,613	540,163	12,002	552,165	120,847	2,246	123,093
Provisions and impairment	(1,164,512)	-	(1,164,512)	(1,201,107)	-	(1,201,107)	(658,250)	-	(658,250)	(593,569)	-	(593,569)
Share of profit of associates	(3,932)	-	(3,932)	(10,906)	-	(10,906)	(5,755)	-	(5,755)	(9,480)	-	(9,480)
Profit/ (Loss) before tax	2,953,453	22,759	2,976,212	(874,544)	4,144	(870,400)	(123,842)	12,002	(111,840)	(482,202)	2,246	(479,956)
Income tax	551,020	(1,614)	549,406	514,525	(1,450)	513,075	13,582	(3,032)	10,550	78,439	(786)	77,653
Profit/ (Loss) after tax (A)	3,504,473	21,145	3,525,618	(360,019)	2,694	(357,325)	(110,260)	8,970	(101,290)	(403,763)	1,460	(402,303)
Less: Non controlling interest	(4,450)	-	(4,450)	(4,838)	40	(4,798)	(2,522)	-	(2,522)	(2,745)	21	(2,724)
Profit/ (Loss) after tax attributable to equity holders of the parent entity	3,508,923	21,145	3,530,068	(355,181)	2,654	(352,527)	(107,738)	8,970	(98,768)	(401,018)	1,439	(399,579)
Other comprehensive income, net of tax (B)	27,060	2,276	29,336	26,552	778	27,330	27,591	2,268	29,859	(15,392)	1,840	(13,552)
Total comprehensive income for the period,net of tax (A+B)	3,531,533	23,421	3,554,954	(333,467)	3,472	(329,995)	(82,669)	11,238	(71,431)	(419,155)	3,300	(415,855)
-Attributable to equity holders of the parent entity	3,535,943	23,421	3,559,364	(328,680)	3,395	(325,285)	(80,200)	11,237	(68,963)	(416,524)	3,205	(413,319)
-Non controlling interest	(4,410)	-	(4,410)	(4,787)	77	(4,710)	(2,469)	1	(2,468)	(2,631)	95	(2,536)
Profit/ (Loss) after tax per share (in euros):												
- Basic and diluted	22.1963	0.1338	22.3301	(3.0903)	0.0231	(3.0672)	(0.5253)	0.0437	(0.4816)	(3.4894)	0.0125	(3.4769)

BANK

	1 Jan - 30 Jun 2013	1 Jan - 30 Jun 2012	1 Apr - 30 Jun 2013	1 Apr - 30 Jun 2012
Interest and similar income	1,428,600	1,027,935	817,664	477,373
Interest expenses and similar charges	(870,513)	(793,019)	(475,680)	(388,936)
Net interest income	558,087	234,916	341,984	88,437
Fee and commission income	90,087	60,267	53,579	30,565
Fee and commission expense	(10,211)	(9,885)	(6,079)	(5,154)
Net fee and commission income	79,876	50,382	47,500	25,411
Dividend income	7,341	3,439	7,273	3,421
Net trading income	53,836	204,624	25,668	97,431
Net income from financial instruments designated at fair value through profit or loss	5,110	2,393	587	414
Results from investment securities	13,872	(815)	7,689	(749)
Other operating income/ (expense)	16,685	2,630	8,194	(1,066)
Negative goodwill due to acquisitions	3,498,036	-	84,345	-
Total net income	4,232,843	497,569	523,240	213,299
Staff costs	(247,769)	(95,400)	(150,588)	(47,235)
Administrative expenses	(167,891)	(95,754)	(112,638)	(54,569)
Gains/ (Losses) from sale of assets	85	(102)	86	(100)
Depreciation and amortisation	(34,796)	(24,962)	(20,042)	(12,290)
Total operating expenses before provisions	(450,371)	(216,218)	(283,182)	(114,194)
Profit before provisions, impairment and income tax	3,782,472	281,351	240,058	99,105
Provisions and impairment	(1,215,168)	(1,099,424)	(789,389)	(549,285)
Share of profit of associates	-	-	-	-
Profit/ (Loss) before tax	2,567,304	(818,073)	(549,331)	(450,180)
Income tax	555,087	531,498	10,665	79,027
Profit/ (Loss) after tax (A)	3,122,391	(286,575)	(538,666)	(371,153)
Less: Non controlling interest	-	-	-	-
Profit/ (Loss) after tax attributable to equity holders of the parent entity	3,122,391	(286,575)	(538,666)	(371,153)
Other comprehensive income, net of tax (B)	21,617	38,729	22,620	(298)
Total comprehensive income for the period,net of tax (A+B)	3,144,008	(247,846)	(516,046)	(371,451)
-Attributable to equity holders of the parent entity	-	-	-	-
-Non controlling interest	-	-	-	-
Profit/ (Loss) after tax per share (in euros):				
- Basic and diluted	19.7502	(2.4923)	(2.6261)	(3.2279)

Athens, August 28th, 2013

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

PIRAEUS BANK

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

USE OF FUNDS RAISED FROM SHARE CAPITAL INCREASE PARTLY IN CASH WITH PRE-EMPTION AND PRE-SUBSCRIPTION RIGHTS OF THE EXISTING SHAREHOLDERS AND PARTLY WITH CONTRIBUTION IN KIND BY THE HELLENIC FINANCIAL STABILITY FUND (HFSF), IN ACCORDANCE WITH THE DECISION OF THE SECOND ITERATIVE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS HELD ON 23.04.2013 AS APPROVED BY VIRTUE OF A DECISION OF THE PREFERENCE SHAREHOLDER'S EXTRAORDINARY GENERAL MEETING DATED 23.05.2013 AND WITH THE DECISION OF THE BOARD OF DIRECTORS HELD ON 29.05.2013, WHICH HAS BEEN APPROVED BY ATHENS EXCHANGE ON 01.07.2013.

In accordance with article 4.1.2 of the Athens Exchange Regulation and decisions no. 25/17.07.2008 of the Board of Directors of Athens Exchange and no. 7/448/11.10.2007 of the Board of Directors of Hellenic Capital Market Commission, it is hereby announced that the Bank's share capital was increased by the issue of 4,958,235,294 new ordinary registered shares with voting rights and raised total funds amounted to € 8,428,999,999.80. Total expenses due to the share capital increase amounted to € 263,309,514.37 and were fully covered by the proceeds of the above mentioned share capital increase. Thus, total funds raised net of share capital issue costs amounted to € 8,165,690,485.43. The Bank's Board of Directors approved the share capital increase at its meeting date 28.06.2013. Athens Exchange approved on 01.07.2013 the admission to trading on the ATHEX of the 4,958,235,294 new shares. The new shares commence trading on the ATHEX on 03.07.2013.

TABLE OF USE OF FUNDS RAISED

Use of Funds raised	Total funds raised (amounts in €)	Use of funds as of 30.6.2013 (amounts in €)	Balance of Funds as of 30.6.2013 (amounts in €)
1. Enhancement of Core Tier I Capital	8,165,690,485.43	8,165,690,485.43	-
2. Issue Costs	263,309,514.37	263,309,514.37	-
Total	**8,428,999,999.80**	**8,428,999,999.80**	-

Athens, August 28th, 2013

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

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

To the Board of Directors of PIRAEUS BANK SA

We have performed the procedures prescribed and agreed with the Board of Directors of PIRAEUS BANK SA and enumerated below with respect to the 'TABLE OF USE OF FUNDS RAISED' which relates to the share capital increase paid partly in cash with pre-emption and pre-subscription rights of the existing shareholders and partly with contribution in kind by the Hellenic Financial Stability Fund (HFSF) during 2013. PIRAEUS BANK SA Board of Directors is responsible for preparing the aforementioned Table. Our engagement was undertaken in accordance with: the regulatory framework of the Athens Stock Exchange; the relevant legal framework of the Hellenic Capital Markets Committee; and the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements. Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

Procedures:

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

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

We report our findings below:

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

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

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

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the Bank, so that the later can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial information prepared by the Bank for the period from 01/01/2013 to 30/06/2013, for which we have issued a separate review report, as of 29/08/2013.

pwc

Athens, 29 August 2013
THE CERTIFIED AUDITOR

Dimitris Sourbis
SOEL Reg. No. 16891

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