



PIRAEUS BANK GROUP

Consolidated Interim Condensed Financial Information

30 September 2011

According to the International Financial
Reporting Standards

The attached consolidated interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on November 29th, 2011 and it is available on the web site of Piraeus Bank at www.piraeusbank.gr

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

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CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Period from 1 January to		Period from 1 July to	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
Interest and similar income		2,128,917	1,878,625	750,213	670,688
Interest expense and similar charges		(1,212,514)	(997,118)	(451,478)	(369,475)
NET INTEREST INCOME		916,402	881,507	298,735	301,213
Fee and commission income		166,279	169,663	53,866	54,929
Fee and commission expense		(25,623)	(30,150)	(8,652)	(9,287)
NET FEE AND COMMISSION INCOME		140,656	139,513	45,214	45,642
Dividend income		3,280	5,702	273	377
Net trading income	6	135,411	(14,725)	108,793	139
Net income from financial instruments designated at fair value through profit or loss		(3,252)	(6,791)	(898)	(5,710)
Results from investment securities	6	(31,294)	(8,552)	(30,831)	(2,514)
Other operating income		40,755	74,765	15,079	19,369
TOTAL NET INCOME		1,201,958	1,071,420	436,366	358,516
Staff costs		(273,896)	(284,060)	(88,426)	(93,380)
Administrative expenses		(237,151)	(255,702)	(82,976)	(90,634)
Depreciation and amortisation		(64,367)	(62,710)	(22,438)	(21,201)
Gains/ (Losses) from sale of assets		(888)	(337)	956	(331)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(576,302)	(602,808)	(192,884)	(205,546)
PROFIT BEFORE PROVISIONS AND INCOME TAX		625,656	468,611	243,482	152,970
Impairment losses on loans, receivables and Greek government bonds	13	(1,987,664)	(400,183)	(620,956)	(144,797)
Other provisions		(1,404)	(2,316)	(101)	(969)
Share of profit of associates		(17,501)	(239)	(11,691)	537
PROFIT/ (LOSS) BEFORE INCOME TAX		(1,380,913)	65,873	(389,267)	7,742
Income tax expense	8	220,879	1,680	44,021	5,603
Tax contribution	8	-	(27,595)	-	-
PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		(1,160,035)	39,958	(345,245)	13,345
Profit/ (loss) after income tax from discontinued operations	7	(21,845)	(25,914)	(8,497)	(9,162)
PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD		(1,181,879)	14,044	(353,742)	4,183
From continuing operations					
Profit/ (Loss) for the period attributable to equity holders of the parent entity		(1,152,509)	39,294	(345,197)	13,280
Non controlling interest		(7,526)	664	(49)	65
From discontinued operations					
Profit/ (Loss) for the period attributable to equity holders of the parent entity		(21,398)	(25,225)	(8,330)	(8,956)
Non controlling interest		(446)	(688)	(167)	(207)
Earnings/ (Losses) per share attributable to equity holders of the parent entity (in euros):					
From continuing operations					
- Basic and Diluted	9	(1.0852)	0.0619	(0.3044)	0.0209
From discontinued operations					
- Basic and Diluted	9	(0.0201)	(0.0397)	(0.0073)	(0.0141)

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 September 2011	31 December 2010
Cash and balances with Central Banks	11	3,527,738	2,993,275
Loans and advances to credit institutions		611,423	1,476,856
Derivative financial instruments - assets		322,966	143,967
Trading securities	12	581,132	673,984
Financial instruments at fair value through profit or loss	12	12,810	16,426
Reverse repos with customers		654,687	955,401
Loans and advances to customers (net of provisions)	13	35,545,127	37,638,075
Investment securities			
- Available for sale securities	14	2,764,933	2,051,103
- Held to maturity	14	4,935,205	5,056,820
Debt securities - receivables	13	2,226,529	2,512,337
Investments in associated undertakings		218,999	211,796
Intangible assets		376,317	384,308
Property, plant and equipment		906,574	967,023
Investment property		943,930	927,129
Assets held for sale		15,845	23,242
Deferred tax assets		693,227	416,837
Inventories property		250,421	199,504
Other assets		964,297	1,032,212
Assets from discontinued operations	17	1,376,587	-
TOTAL ASSETS		56,928,746	57,680,295
LIABILITIES			
Due to credit institutions	18	24,788,732	19,930,269
Liabilities at fair value through profit or loss	19	319,634	308,864
Derivative financial instruments - liabilities		340,108	201,140
Due to customers	20	24,173,359	29,474,998
Debt securities in issue	21	1,788,707	2,659,618
Hybrid capital and other borrowed funds	22	507,079	510,442
Retirement benefit obligations		211,360	209,490
Other provisions		17,586	19,817
Current income tax liabilities		38,311	95,222
Deferred tax liabilities		163,234	160,865
Other liabilities		609,647	835,838
Liabilities from discontinued operations	17	1,048,634	-
TOTAL LIABILITIES		54,006,390	54,406,564
EQUITY			
Share capital	24	712,998	470,882
Share premium	24	2,953,356	2,430,877
Less: Treasury shares	24	(4,097)	(8,790)
Other reserves	25	(338,455)	(432,845)
Amounts recognized directly in equity relating to non-current assets			
from discontinued operations	25	(10,278)	-
Retained earnings	25	(524,506)	672,687
Capital and reserves attributable to equity holders of the parent entity		2,789,018	3,132,811
Non controlling interest		133,338	140,920
TOTAL EQUITY		2,922,356	3,273,732
TOTAL LIABILITIES AND EQUITY		56,928,746	57,680,295

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Period from 1 January to		Period from 1 July to	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
CONTINUING OPERATIONS					
Profit / (loss) after tax for the period (A)		(1,160,035)	39,958	(345,245)	13,345
Other comprehensive income, net of tax:					
Net change in available for sale reserve	10	69,952	(150,432)	(18,199)	10,860
Change in currency translation reserve	10	(2,918)	(2,782)	(9,023)	10,815
Premium on equity instrument	10, 25	-	(67,805)	-	-
Other comprehensive income for the period, net of tax (B)	10	67,034	(221,019)	(27,222)	21,675
Total comprehensive income for the period, net of tax (A+B)		(1,093,001)	(181,061)	(372,467)	35,020
- Attributable to equity holders of the parent entity		(1,085,438)	(181,962)	(368,286)	29,429
- Non controlling interest		(7,564)	901	(4,181)	5,591
DISCONTINUED OPERATIONS					
Profit / (loss) after tax for the period (C)		(21,845)	(25,914)	(8,497)	(9,162)
Net change in available for sale reserve	10	(1,422)	1,478	(752)	1,605
Change in currency translation reserve	10	1,196	(737)	(1,142)	2,425
Other comprehensive income for the period, net of tax (D)	10	(226)	741	(1,894)	4,030
Total comprehensive income for the period, net of tax (C+D)		(22,071)	(25,173)	(10,391)	(5,132)
- Attributable to equity holders of the parent entity		(21,535)	(24,616)	(14,574)	1,540
- Non controlling interest		(536)	(557)	4,183	(6,672)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the parent					Minority interests	TOTAL
		Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings		
Opening balance as at 1 January 2010		1,974,020	927,739	(123)	(218,195)	782,619	148,175	3,614,234
Other comprehensive income for the period, net of tax	10, 25				(152,842)	(67,805)	369	(220,278)
Results after tax for the period of 1/1/2010 - 30/9/2010	25					14,069	(25)	14,044
Total recognised income for the period of 1/1/2010 - 30/9/2010		0	0	0	(152,842)	(53,736)	344	(206,234)
Prior year dividends of ordinary shares							(1,320)	(1,320)
Prior year dividends of preference shares	25					(18,006)		(18,006)
Purchases/ (sales) of treasury shares	24			(487)		130		(357)
Transfer between other reserves and retained earnings	25				(7,444)	7,444		0
Acquisitions, disposals, liquidation and movement in participating interest	25				(313)	(12,045)	(13,249)	(25,608)
Other movements	25				41	(362)	(34)	(355)
Balance as at 30 September 2010		1,974,020	927,739	(610)	(378,753)	706,043	133,915	3,362,353
Opening balance as at 1 October 2010		1,974,020	927,739	(610)	(378,753)	706,043	133,915	3,362,353
Other comprehensive income for the period, net of tax	25				(53,179)	-	(3)	(53,182)
Results after tax for the period 1/10/2010 - 31/12/2010	25					(34,543)	(692)	(35,235)
Total recognised income for the period 1/10/2010 - 31/12/2010		0	0	0	(53,179)	(34,543)	(695)	(88,417)
Reduction of the nominal value of ordinary shares	24	(1,503,138)	1,503,138					0
Purchases/ (sales) of treasury shares	24, 25			(8,180)		(101)		(8,281)
Transfer between other reserves and retained earnings	25				(805)	805		0
Acquisitions, disposals, liquidation and movement in participating interest	25				-	223	7,705	7,928
Other movements	25				(108)	258	(7)	143
Balance as at 31 December 2010		470,882	2,430,877	(8,790)	(432,845)	672,687	140,920	3,273,732
Opening balance as at 1 January 2011		470,882	2,430,877	(8,790)	(432,845)	672,687	140,920	3,273,732
Other comprehensive income for the period, net of tax	10				66,934	-	(127)	66,807
Results after tax for the period 1/1/2011 - 30/9/2011	25					(1,173,907)	(7,972)	(1,181,879)
Total recognised income for the period 1/1/2011 - 30/9/2011		0	0	0	66,934	(1,173,907)	(8,100)	(1,115,072)
Increase of share capital through cash payment	24	242,116	522,478					764,594
Purchases/ (sales) of treasury shares and preemption rights	24, 25			4,693		(4,864)		(171)
Transfer between other reserves and retained earnings	25				17,178	(17,178)		0
Acquisitions, disposals, liquidation and movement in participating interest	25					(1,059)	516	(543)
Other movements	25					(185)		(185)
Balance as at 30 September 2011		712,998	2,953,356	(4,097)	(348,733)	(524,506)	133,338	2,922,356

CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Note	Period from 1 January to	
		30 September 2011	30 September 2010
<i>Cash flows from operating activities from continuing operations</i>			
Profit/ (Loss) before tax		(1,380,913)	65,873
<i>Adjustments to profit/ (loss) before tax:</i>			
Add: impairment for loans, advances, Greek government bonds and other provisions	13	1,989,068	402,499
Add: depreciation and amortisation charge		64,367	62,710
Add: retirement benefits		23,660	25,400
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		(61,832)	23,510
(Gains)/ losses from investing activities		46,446	(15,536)
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>		680,796	564,456
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		(30,617)	67,581
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		124,904	179,970
Net (increase)/ decrease in debt securities - receivables		(366,679)	(705,336)
Net (increase)/ decrease in loans and advances to credit institutions		78,403	(275,722)
Net (increase)/ decrease in loans and advances to customers		416,119	(679,642)
Net (increase)/ decrease in reverse repos with customers		300,714	-
Net (increase)/ decrease in other assets		(21,711)	(84,935)
Net increase/ (decrease) in amounts due to credit institutions		4,872,001	4,363,391
Net increase/ (decrease) in liabilities at fair value through profit or loss		10,769	733,911
Net increase/ (decrease) in amounts due to customers		(3,981,156)	(809,554)
Net increase/ (decrease) in other liabilities		(246,425)	(132,181)
<i>Net cash flow from operating activities before income tax payment</i>		1,837,117	3,221,938
Income tax paid (including tax contribution)		(59,365)	(28,241)
Net cash inflow/ (outflow) from continuing operating activities		1,777,752	3,193,696
<i>Cash flows from investing activities of continuing operations</i>			
Purchases of property, plant and equipment		(144,729)	(166,136)
Sales of property, plant and equipment		33,683	53,814
Purchases of intangible assets		(14,592)	(16,580)
Purchases of held for sale assets		(7,565)	(9,445)
Sales of held for sale assets		5,289	25,910
Purchases of investment securities		(2,350,763)	(2,328,828)
Disposals/ maturity of investment securities		1,335,682	450,653
Acquisition of subsidiaries (net of cash & cash equivalents acquired)		(2,544)	(36,666)
Disposal of subsidiaries (net of cash & cash equivalents disposed)		5	12,304
Disposals of associates		698	-
Acquisition and participation in share capital increases of associates	27	(46,156)	(14,602)
Dividends receipts		3,250	5,699
Net cash inflow/ (outflow) from continuing investing activities		(1,187,742)	(2,023,877)
<i>Cash flows from financing activities of continuing operations</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(874,274)	(1,080,839)
Increase of share capital through cash payment		753,980	-
Payment of prior year dividends		-	(24,170)
Purchases/ sales of treasury shares and preemption rights		(171)	(358)
Other cashflows from financing activities		14,935	37,458
Net cash inflow/ (outflow) from continuing financing activities		(105,531)	(1,067,908)
Effect of exchange rate changes on cash and cash equivalents		13,572	(9,355)
Net increase/ (decrease) in cash and cash equivalents of the period from continuing activities (A)		498,051	92,557
Net cash flows from discontinued operating activities		(422,347)	540,374
Net cash flows from discontinued investing activities		(43,882)	(17,090)
Net cash flows from discontinued financing activities		(7)	3
Effect of exchange rate changes on cash and cash equivalents		(802)	(824)
Net increase/ (decrease) in cash and cash equivalents of the period from discontinued activities (B)		(467,038)	522,463
Cash and cash equivalents at the beginning of the period (C)		4,034,929	3,389,025
Cash and cash equivalents at the end of the period (A)+(B)+(C)		4,065,943	4,004,044

The notes on pages 6 to 24 are an integral part of the consolidated interim condensed financial information.

1. General information about the Group

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

Piraeus Bank (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern Europe, Egypt, the U.S.A., as well as Western Europe. The Group employs in total 13,123 people of which 1,595 people, refer to discontinued operations (Egypt).

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Banks, 20, International), FTSE/ATHEX-CSE Banking Index, FTSE (Global Small Cap, RAFI Developed 1000, Med 100, FTSE4Good Index Series), MSCI (World Small Cap, Europe Small Cap, EMU Small Cap, EAFE Small Cap, Greece Small Cap), Euro Stoxx, Euro Stoxx Banks, S&P (Global BMI, Developed BMI) and Russell Global (SC Growth, SC Value)».

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 2010 have been followed.

The following amendments and interpretations, that have been issued by the International Accounting Standards Board and endorsed by the E.U., are effective from 1.1.2011 but they do not have a significant effect on the Group's financial statements:

- IAS 24 (Revised), "Related Party Disclosures"
- IAS 32 (Amendment), "Financial Instruments: Presentation"
- IFRS 1 (Amendment), "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"
- IFRIC Interpretation 14 (Amendment), "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
- IFRIC Interpretation 19, "Extinguishing Financial Liabilities with Equity Instruments".

Improvements to IFRSs (May 2010)

- IFRS 1 (Amendment), "First Time Adoption of International Financial Reporting Standards"
- IFRS 3 (Amendment), "Business Combinations"
- IFRS 7 (Amendment), "Financial Instruments: Disclosures"
- IAS 1 (Amendment), "Presentation of Financial Statements"
- IAS 27 (Amendment), "Consolidated and Separate Financial Statements"
- IAS 34 (Amendment), "Interim Financial Reporting"
- IFRIC Interpretation 13, "Customer Loyalty Programmes".

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

The Group's accounting estimates and judgements affect the reported amounts of assets and liabilities within the next financial year. Accounting estimates and judgements are continually evaluated based on historical experience as well as on expectations of future events and they are the same with those accounting estimates and judgements adopted and described in the annual consolidated financial statements for the year ended 31 December 2010, except for the impairment loss on Greek Government Bonds, which is specially mentioned in note 4.

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

b.1. Impairment losses on loans and advances

The Group examines, at every reporting period, whether trigger for impairment exists for its loans or loan portfolios. If such triggers exist, the recoverable amount of the loan portfolio is calculated and the relevant provision for this impairment is raised. The provision is recorded in the 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 investments

The available for sale portfolio is recorded at fair value and any changes in fair value are recorded in the available for sale reserve. Available for sale investments are impaired when there is significant or prolonged decline (judgement is required) in the fair value below cost. When this occurs, the relevant portion of the available for sale reserve is recycled to the income statement of the period. Judgement is also required for the estimation of the fair value of investments that are not traded in 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. Securitisations and special purpose entities

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

b.5. Held to maturity investments

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

b.6. Income taxes

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

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

The consolidated interim condensed financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the Group's annual consolidated financial statements for the year ended 31 December 2010.

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

4. Exposure to Greek Government debt and debt issued by Eurozone countries that face financial difficulties

a. Exposure to Greek Government debt

On 21 July 2011, the EU Summit decided to support the Greek economy through a series of measures. These measures included the voluntary exchange of Greek Government Bonds (GGBs) of specific maturities, held by the private sector, with new bonds that would be issued for this purpose.

The above mentioned debt exchange programme (PSI) aimed at attracting at least 90% of all eligible bonds and its implementation was linked to specific terms and conditions, that were announced on the same date by the International Institute of Finance (IIF).

Many financial institutions in the world, including Piraeus Bank Group, expressed their support for the particular Proposal from the beginning.

The announcement of the Proposal on 21 July 2011 was taken into account as an "adjusting event" at the consolidated interim condensed financial information for the period ended 30.6.2011, in accordance with the rules set out in IAS 10 "Events after the reporting period".

Under this scope, the Group raised a relevant provision (impairment loss on the bonds) in charge of the results for the second quarter 2011, of €804 million after tax, disclosing on one hand the basic assumptions and methodologies used for the calculation of the impairment loss, and on the other hand, the related uncertainties and risks of the programme.

The continuing, however, deterioration of the economy in Europe and world wide, has led the EU Summit that took place on 26 October 2011, to take additional decisions and to adopt a comprehensive set of new measures to restore confidence and

address the current tensions in the financial markets. In addition to and especially for Greece, the EU Summit decided on the following basic principles and targets that shall be achieved in relation to the Greek debt exchange programme:

- Voluntary character of the programme.
- Reduction of the nominal Greek debt held by private investors by 50%.
- Decline of the Greek debt to GDP ratio with an objective of reaching 120% by 2020.

The discussions and negotiations for the specification of the agreed measures on the 26 October 2011 and especially of the revised private sector involvement programme (PSI+), are expected to start soon and to be completed by the end of 2011, so that the detailed characteristics of the new bonds under issue (maturity, coupon, guarantees and incentives, nominal amount) will be finalised, whereas their exchange is expected to take place in early 2012.

It is noted that for the bonds categorized as “Held to Maturity financial assets” and “Loans and Receivables”, the impairment loss calculation must be based on reliable estimates of the future cash flows and on their discounting with the original effective interest rate. In case of debt restructuring, such is the case of PSI+, these estimates must be derived from the details of the restructuring plan, which details however are not known at present.

As a result of the above, it is not objectively feasible to reliably measure the effect of PSI+ on the Group profit or loss and to reestimate the initially calculated impairment loss, as it was recognised in the consolidated interim condensed financial information for the first semester 2011, for the bonds categorised in the above mentioned portfolios and which are expected to be included in the revised exchange programme.

Therefore, the final impairment loss for the bonds in the above mentioned portfolios will be calculated according to the final terms, which will result from the agreement, and will be recorded in the annual consolidated financial statements of the Group, provided that the various parameters and details of the PSI + will have been finalized by the publication date of the Group's consolidated financial statements.

On the contrary, the calculation of the impairment loss for the GGBs categorised in the Available for Sale portfolio, was based on their fair values as at 30.9.2011 and the negative movement in the reserve for the third quarter 2011 was transferred directly and in its entirety to the consolidated Income Statement.

Based on the above mentioned and taking into account the pronouncements of the International Financial Reporting Standards (IAS 39), the Group determined the impairment on the Greek Government Bonds (GGBs) that will be included in the Proposal as follows:

a.1. GGBs categorized as “Loans and Receivables” and “Held to Maturity financial assets” measured at amortised cost

The portfolios of GGBs held by the Group are classified in the overwhelming majority in these two categories, either from the date of acquisition or, mainly, as a result of reclassification from the “Available for sale portfolio” or/ and “Trading portfolio” categories.

The measurement of impairment depends on the extent that the exchange/ prolongation of GGBs leads to derecognition or not of the existing GGBs. In this scope, it was evaluated to what extent the Group's exposure to the risks and rewards substantially change as a result of the implementation of the Proposal.

With the exception of isolated cases, such as GGBs issued in foreign currency, structured GGBs, etc, the exchange/ prolongation constitutes, in fact, continuation of the existing relationship between the Bank and the debtor based on renegotiated or modified terms due to financial difficulties of the debtor, and does not constitute a substantial change of the exposure of the Group. Therefore, the impairment loss was determined as at 30.6.2011, without being reestimated as at 30.9.2011 as mentioned above, in accordance with the pronouncements set out in IAS 39 (par. 63), as follows:

- For GGBs that are not derecognised, the impairment loss was calculated as the difference between the book value and the present value of the expected future cash flows discounted using the effective interest rate of the GGBs, that is either using the original effective interest rate at the time when the GGBs were acquired or, in the case of reclassified GGBs, the effective interest rate at the date of reclassification. Any unamortised negative “Available for sale” reserve was transferred directly and in its entirety to the consolidated Income Statement, irrespective of the result of the impairment test performed.
- For GGBs that are derecognised, the impairment loss was calculated as the difference between the book value and the fair value of the “new” GGBs. Given the fact that an active market does not exist for the “new” GGBs, their fair value was determined using a valuation model, which is based, amongst others, on assumptions regarding the long-term discount rate of the Greek State. The IIF has indicatively determined this discount rate to be 9%.

a.2. GGBs categorized as “Available for Sale”

For the GGBs categorised in the Available for Sale portfolio, the negative “Available for sale” reserve as this was determined by measuring the GGBs at fair value as at 30.6.2011, was transferred directly and in its entirety to the consolidated Income Statement for the first semester 2011. The same accounting treatment was applied for the differences derived from the new valuation of these bonds at fair values as at 30.9.2011.

a.3. GGBs categorized as “Trading”

For the GGBs categorised in the Trading portfolio, no impairment charge has been accounted for due to the fact that these GGBs were valued at fair value as at 30.6.2011 and as at 30.9.2011 and any loss was taken to the consolidated Income Statement of the relevant periods.

In this scope, the Group charged the before tax results for the period 1.1.2011 – 30.9.2011 with an amount of €1,080 million (€865 million after tax), taking into account the existing conditions as well as the market trend for the 30 year euro interest rate, which is the base for the determination of the final interest rates for the new GGBs. Following the successful completion of the transaction, the impairment loss will be finalized and adjusted accordingly in the Group’s results.

The charge in the Group’s results for the period 1.1.2011 – 30.9.2011 is analyzed per portfolio as follows:

- €840 million before tax from the impairment of portfolios “Loans and Receivables” and “Held to Maturity financial assets” and the recycling of the respective amounts of the reserve.
- €240 million from the recycling to the Income Statement of the negative “Available for sale” reserve.

It is once again noted, that the above estimates for the impairment of the GGBs are characterized by various uncertainties, given that the Proposal is in progress and its implementation is expected in the future. Additional uncertainty is caused through a number of other factors, such as its voting by the Parliaments of the Eurozone countries, the level of private sector participation, the evolution of the debt crisis in the Eurozone and the level of the long term market interest rates at the time of the completion of the implementation of the Proposal.

The following two tables, present detailed information, by type and maturity, of the Bank’s total exposure to the Greek State and to public institutions (Central Government, Regional Governments, Public Organizations, Insurance Funds, etc) as at 30.9.2011:

Table of total exposure to the Greek State

	Type	Nominal amount	Book value
1	Bonds	7,601,175	7,291,598
2	GGBs related to State preference shares	370,000	374,062
3	Treasury Bills	1,795,706	1,754,845
4	Loans	512,963	513,765
	Total	10,279,844	9,934,270

Table of maturity of the total exposure to the Greek State

	Type	Up to 1 year	1-5 years	More than 5 years	Total
1	Bonds	1,511,216	2,508,417	3,271,965	7,291,598
2	GGBs related to State preference shares	0	374,062	0	374,062
3	Treasury Bills	1,754,845	0	0	1,754,845
4	Loans	204,328	157,633	151,804	513,765
	Total	3,470,389	3,040,112	3,423,769	9,934,270

b. Exposure to debt issued by Eurozone countries that face financial difficulties

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

5 Business segments

Piraeus Bank Group has defined the following business segments:

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

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

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

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

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

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

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

1/1-30/9/2011	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Discontinued operations	Group (Continuing operations)
Net interest income	664,462	212,747	(1,046)	158,299	(124,032)	21,346	931,777	15,375	916,402
Net fee and commission income	104,736	23,870	5,924	2,730	9,381	(134)	146,507	5,851	140,656
Net revenues	848,277	242,521	16,169	257,372	(99,511)	(40,164)	1,224,664	22,706	1,201,958
Segment results	(465,288)	(56,277)	1,351	233,001	(1,094,447)	-	(1,381,660)	(18,248)	(1,363,412)
Share of results of associates							(17,496)	5	(17,501)
Profit before tax							(1,399,156)	(18,243)	(1,380,913)
Income tax expense							217,277	(3,602)	220,879
Profit after tax							(1,181,879)	(21,845)	(1,160,034)
Other segment items									
Capital expenditure	71,904	10,585	167	1,381	76,686	-	160,723	1,402	159,321
Depreciation and amortisation	39,096	6,871	404	693	24,792	-	71,856	7,489	64,367
Impairment charge - loans, advances and Greek government bonds	761,711	155,672	5,640	-	1,073,699	-	1,996,722	9,058	1,987,664

Impairment charge - loans, advances and Greek government bonds includes an amount of € 1,080 million which is presented in Other business segments and concerns impairment for Greek government bonds.

1/1-30/9/2010	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Discontinued operations	Group (Continuing operations)
Net interest income	732,158	198,174	(823)	100,430	(135,916)	2,852	896,874	15,367	881,507
Net fee and commission income	116,871	12,412	9,656	3,898	3,711	1,148	147,695	8,182	139,513
Net revenues	971,867	217,638	11,357	44,546	(100,524)	(48,354)	1,096,531	25,111	1,071,419
Segment results	35,453	21,563	(1,088)	23,094	(36,509)	-	42,513	(23,599)	66,112
Share of results of associates							(190)	49	(239)
Profit before tax							42,322	(23,550)	65,873
Income tax expense							(28,279)	(2,363)	(25,915)
Profit after tax							14,044	(25,914)	39,958
Other segment items									
Capital expenditure	101,795	16,537	15,260	2,084	50,816	-	186,492	3,776	182,716
Depreciation and amortisation	44,693	5,344	552	421	20,504	-	71,514	8,804	62,710
Impairment charge - loans, advances and Greek government bonds	370,248	42,291	145	-	3,408	-	416,092	15,908	400,183

At 30 September 2011	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Discontinued operations	Group (Continuing operations)
Segment assets	28,035,047	8,508,881	126,964	13,257,789	7,000,065	-	56,928,746	1,376,587	55,552,159
Segment liabilities	20,630,893	1,405,728	393,341	27,115,346	4,461,081	-	54,006,390	1,048,634	52,957,756
At 31 December 2010									
Segment assets	27,033,279	10,485,235	123,491	16,111,559	3,926,731	-	57,680,295	-	57,680,295
Segment liabilities	21,462,647	1,702,134	54,384	25,828,902	5,358,496	-	54,406,564	-	54,406,564

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

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

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

6 Net trading income and results from investment securities

Net trading income amounts to € 135.4 million gain for the 9 month period of 2011 comparing to € 14.7 million loss for the 9 month period of 2010, mainly due to bonds transactions.

In addition, results from investment securities amount € 31.3 million loss for the 9 month period of 2011 (9 month period of 2010: € 8.6 million loss), mainly due to impairment of unlisted shares.

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

The results of Piraeus Bank Egypt Group, which is classified as discontinued operations, are included in the account "Profit / (loss) after income tax from discontinued operations" and are analysed as follows:

	From 1 January to		From 1 July to	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
Net interest income	15,375	15,367	4,929	4,226
Net fee and commission income	5,851	8,182	1,777	2,268
Dividend income	145	590	8	-
Net trading income	992	1,268	501	536
Results from investment securities	5	(548)	-	(145)
Other operating income	337	253	26	12
Total net income	22,706	25,111	7,241	6,899
Staff costs	(14,731)	(14,999)	(5,091)	(5,460)
Administrative expenses	(6,001)	(8,979)	(1,333)	(3,161)
Depreciation and amortization	(7,489)	(8,804)	(2,108)	(2,933)
Gains/ (Losses) from sale of assets	213	6	(11)	0
Total operating expenses before provisions	(28,008)	(32,775)	(8,543)	(11,554)
Impairment losses on loans and receivables	(9,058)	(15,909)	(1,891)	(4,283)
Other provisions	(3,887)	(26)	(2,888)	(18)
Share of profit of associates	5	49	9	12
Profit/ (loss) before income tax	(18,243)	(23,550)	(6,071)	(8,945)
Income tax	(3,602)	(2,363)	(2,425)	(217)
Profit/ (loss) after income tax from discontinued operations	(21,845)	(25,914)	(8,497)	(9,162)

8 Income tax expense

	1/1-30/9/2011	1/1-30/9/2010
Current Tax	(64,299)	(12,650)
Deferred tax	289,067	14,651
Tax provisions	(3,889)	(322)
Tax contribution	-	(27,595)
	220,879	(25,915)

Further to the amendments introduced by the tax law 3943/2011 (Government Gazette A' 66/31.3.2011), the corporate income tax rate for Greek legal entities is reduced from 24% as applies on taxable income for the year 2010, to 20% for the year 2011. Furthermore, in accordance with the provisions of the above mentioned law, a withholding tax of 25% is imposed on distributed profits. Specifically for profits distributed within 2011, the withholding tax rate is 21%. For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the fiscal years of 2010 and 2011 (Bulgaria: 10%, Romania: 16%, U.S.A.: 35%, Serbia: 10%, Ukraine: 23%, Cyprus: 10%, Albania: 10% and United Kingdom: 26%).

The deferred tax increase relates mainly to the recognition of an allowance for impairment on Greek government bonds that will participate in the voluntary exchange of Greek government bonds programme (PSI).

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2009 have been finalized. The unaudited tax years of the subsidiaries and associates are included in note 16. For the unaudited tax years, the required provisions have been raised according to International Financial Reporting Standards (IFRS).

9 Earnings/ (Losses) per share

Basic earnings/ (losses) per share are calculated by dividing the net profit/ (loss) 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.

	1/1 - 30/9/2011	1/1 - 30/9/2010	1/7 - 30/9/2011	1/7 - 30/9/2010
Net profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	(1,152,509)	39,294	(345,197)	13,280
Weighted average number of ordinary shares in issue	1,062,039,774	635,031,686	1,134,185,725	634,796,112
Basic earnings/ (losses) per share (in euros) from continuing operations	(1.0852)	0.0619	(0.3044)	0.0209

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Basic earnings/ (losses) per share from discontinued operations	1/1 - 30/9/2011	1/1 - 30/9/2010	1/7 - 30/9/2011	1/7 - 30/9/2010
Net profit/ (loss) attributable to ordinary shareholders of the parent entity from discontinued operations	(21,398)	(25,225)	(8,330)	(8,956)
Weighted average number of ordinary shares in issue	1,062,039,774	635,031,686	1,134,185,725	634,796,112
Basic earnings/ (losses) per share (in euros) from discontinued operations	(0.0201)	(0.0397)	(0.0073)	(0.0141)

According to the requirements of IAS 33, the weighted average number of shares has been adjusted for the comparison period from 1/1/2010 30/9/2010 by a 1.8889 factor, in order to adjust earnings/ (losses) per share for the discount price of the rights issue share capital increase (note 24). Prior period data have been adjusted so as to be comparable with the current period and to reflect the decision of the Ordinary General Meeting of Shareholders in 2011 not to distribute dividend to shareholders of preference shares for the year 2010.

10 Analysis of other comprehensive income

Continuing operations

1/1-30/9/2011	Before-Tax amount	Tax	Net-of-Tax amount
Net change in available for sale reserve	95,689	(25,737)	69,952
Change in currency translation reserve	(2,918)	-	(2,918)
Other comprehensive income from continuing operations	92,771	(25,737)	67,034
1/1-30/9/2010			
Net change in available for sale reserve	(198,652)	48,220	(150,432)
Change in currency translation reserve	(2,782)	-	(2,782)
Premium on equity instrument	(67,805)	-	(67,805)
Other comprehensive income from continuing operations	(269,239)	48,220	(221,019)

Discontinued operations

1/1-30/9/2011	Before-Tax amount	Tax	Net-of-Tax amount
Net change in available for sale reserve	(1,422)	-	(1,422)
Change in currency translation reserve	1,196	-	1,196
Other comprehensive income from discontinued operations	(226)	0	(226)
1/1-30/9/2010			
Net change in available for sale reserve	1,478	-	1,478
Change in currency translation reserve	(737)	-	(737)
Other comprehensive income from discontinued operations	741	0	741

11 Cash and balances with Central Banks

	30 September 2011	31 December 2010
Cash in hand	270,628	328,846
Nostros and sight accounts with other banks	517,716	764,913
Balances with central bank	2,086,735	1,254,563
Cheques clearing system - central bank	266,262	206,772
Mandatory reserves with central bank	386,396	438,181
	3,527,738	2,993,275

12 Financial assets at fair value through profit or loss

	30 September 2011	31 December 2010
Trading securities		
Greek government bonds	176,324	147,976
Foreign government bonds	268,273	184,005
Corporate entities bonds	9,390	11,586
Bank bonds	56	56
Greek government treasury bills	40,850	88,726
Foreign government treasury bills	70,232	200,883
Total	565,126	633,233
Athens stock exchange listed shares	14,791	38,241
Foreign stock exchanges listed shares	7	341
Mutual funds	1,208	2,170
Total	16,006	40,752
Total trading securities	581,132	673,984
Other financial instruments at fair value through profit or loss	12,810	16,426

13 Loans and advances to customers and debt securities - receivables

	30 September 2011	31 December 2010
Mortgages	6,859,466	6,909,632
Consumer/ personal and other loans	3,276,416	3,650,891
Credit cards	760,479	844,874
Loans to individuals	10,896,361	11,405,397
Loans to corporate entities	26,641,260	27,665,756
Total loans and advances to customers	37,537,622	39,071,153
Corporate entities debt securities - receivables	4,518	197,653
Bank debt securities - receivables	23,176	-
Greek government bonds debt securities - receivables	2,654,729	2,302,166
Foreign government bonds debt securities - receivables	196,517	12,518
Total Debt securities - receivables	2,878,940	2,512,337
Less: Allowance for impairment on loans and advances to customers and debt securities - receivables	(2,644,906)	(1,433,077)
Total loans and advances to customers and debt securities - receivables (net allowances for losses)	37,771,656	40,150,412
of which:		
Loans and advances to customers (net of provisions)	35,545,127	37,638,075
Debt securities - receivables (net of provisions)	2,226,529	2,512,337

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

	Loans to individuals	Loans to corporate entities/ Public sector	Total
Balance at 1/1/2010	492,355	502,615	994,970
Charge for the period	211,750	188,337	400,088
-From continuing operations	210,779	173,400	384,179
-From discontinued operations	971	14,937	15,909
Loans written-off	(81,409)	(21,239)	(102,648)
-From continuing operations	(81,347)	(21,239)	(102,585)
-From discontinued operations	(62)	-	(62)
Foreign exchange differences	(1,463)	5,847	4,384
-From continuing operations	(1,689)	6,087	4,398
-From discontinued operations	227	(240)	(13)
Balance at end of the period 30/9/2010	621,234	675,560	1,296,794
Balance at 1/10/2010	621,234	675,560	1,296,794
Charge for the period	73,041	98,527	171,568
-From continuing operations	73,735	88,071	161,806
-From discontinued operations	(694)	10,455	9,762
Loans written-off	(13,763)	(27,623)	(41,386)
-From continuing operations	(13,747)	(27,623)	(41,370)
-From discontinued operations	(16)	-	(16)
Foreign exchange differences	1,837	4,265	6,102
-From continuing operations	1,761	4,291	6,052
-From discontinued operations	76	(26)	50
Balance at end of year 31/12/2010	682,349	750,729	1,433,078
Balance at 1/1/2011	682,349	750,729	1,433,078
Balance from discontinued operations	(17,151)	(53,574)	(70,725)
Charge for the period from continuing operations	199,819	1,338,609	1,538,429
Loans written-off from continuing operations	(78,211)	(184,164)	(262,376)
Foreign exchange differences from continuing operations	1,788	4,712	6,500
Balance at end of the period 30/9/2011	788,594	1,856,312	2,644,906

An allowance for impairment of € 652 million on Greek government bonds included in debt securities - receivables has been recognized and is included in the charge for the 9month period of 2011. In addition, Greek government bonds impairment of € 49 million, which was previously included in available for sale reserve (note 25), that relates to reclassified in previous financial years debt securities - receivables, is recycled to income statement resulting in a total charge for the 9month period of 2011 of € 701 million.

The charge for the 9month period of 2011 of € 1,988 million (9month period of 2010: € 400 million) in the income statement includes an amount of € 21 million (9month period of 2010: € 16 million) which relates to impairment of other receivables and insurance expenses for covering credit risk of loan portfolios.

14 Investment securities

	30 September 2011	31 December 2010
Available for sale securities		
Bonds and other fixed income securities		
Greek government bonds	257,022	557,436
Foreign government bonds	299,395	196,167
Corporate entities bonds	48,596	229,769

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	30 September 2011	31 December 2010
Bank bonds	19,218	37,007
Greek government treasury bills	1,729,095	604,019
Foreign government treasury bills	53,272	639
Total	2,406,598	1,625,036
Shares and other variable income securities		
Athens stock exchange listed shares	36,353	60,614
Foreign stock exchanges listed shares	19,408	15,994
Unlisted shares	155,872	158,917
Mutual funds	146,702	190,541
Total	358,335	426,066
Total available for sale securities	2,764,933	2,051,103

In relation to Greek government bonds, a recycling of € 240 million (note 25) from available for sale reserve to income statement was realized.

	30 September 2011	31 December 2010
Held to maturity		
Greek government bonds	4,882,118	4,954,598
Foreign government bonds	51,357	58,917
Corporate entities bonds	1,503	17,727
Foreign government treasury bills	227	25,578
Total held to maturity	4,935,205	5,056,820

For the Greek government bonds included in held to maturity, an allowance for impairment of € 134 million has been recognized and is included in the impairment losses for the 9month period of 2011. In addition, Greek government bonds impairment of € 5 million, which was previously included in available for sale reserve (note 25), that relates to reclassified in previous financial years bonds, is recycled to income statement resulting in a total charge for the 9 month period of 2011 of € 139 million.

15 Reclassification of financial assets

The Investment portfolio as at 30/9/2011 includes shares, mutual funds and bonds, which have been reclassified during the financial years 2008 and 2010 from the "Trading securities" portfolio. Specifically, the "Available for sale securities" portfolio as at 30/9/2011 includes shares and mutual funds with fair value of € 12.0 million. The revaluation loss of € 7.7 million for the period 1/1-30/9/2011 has been recognized in the "Available for Sale reserve". Moreover, the "Available for sale securities" portfolio as at 30/9/2011 includes bonds with fair value of € 103.1 million. The revaluation loss of € 45.4 million for the period 1/1-30/9/2011 has been recognized in the "Available for Sale reserve". "Held to Maturity" portfolio as at 30/9/2011 includes bonds with fair value of € 227.5 million (amortized cost € 594.2 million). If these bonds had not been reclassified, a revaluation loss of € 109.0 million would have been recognized in the "Net trading Income" of the period 1/1-30/9/2011. No gains or losses from the sale of reclassified bonds and shares have been recognized in the Income Statement for the period 1/1-30/9/2011.

"Debt securities – receivables" portfolio as at 30/9/2011 includes bonds with fair value of € 397.0 million (amortized cost of € 566.2 million) which have been reclassified from the "Available for sale securities" portfolio during the financial years 2008 and 2010. "Loans and advances to credit institutions" portfolio includes bank bonds with fair value of € 5.9 million (amortized cost € 5.4 million), which have been reclassified from the "Available for sale securities" portfolio during the financial year 2008. If these bonds had not been reclassified, a revaluation loss of € 333.9 million would have been recognized in the "Available for sale reserve" of the period 1/1-30/9/2011. A loss of € 1.0 million from the sale of reclassified bonds has been recognized in the Income Statement for the period 1/1-30/9/2011.

Reclassification of financial assets as presented above is prior to the implementation of the PSI (private sector involvement in the voluntary exchange of Greek government bonds programme) and the consequent recognition of allowance for impairment.

16 Investments in subsidiaries and associate companies

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

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

a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Marathon Banking Corporation	Banking activities	98.43%	U.S.A	2008-2010
2.	Tirana Bank I.B.C. S.A.	Banking activities	96.71%	Albania	2009-2010
3.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania	2007-2010
4.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia	2006-2010
5.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria	2010
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine	-
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus	2007-2010
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	2003-2010
10.	Piraeus Insurance & Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010
11.	Tirana Leasing S.A.	Finance leases	100.00%	Albania	2010
12.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece	2006-2010

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

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a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
82.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010
83.	Piraeus Equity Partners Ltd	Holding company	100.00%	Cyprus	-
84.	Piraeus Equity Advisors Ltd	Investment advise	100.00%	Cyprus	2009-2010
85.	Achaia Clauss Estate S.A.	Property management	74.47%	Greece	2009-2010
86.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2009-2010
87.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
88.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-
89.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2008-2010
90.	Piraeus Wealth Management (Switzerland) S.A.	Wealth management	42.25%	Switzerland	-
91.	Curdart Holding Ltd	Holding company	100.00%	Cyprus	2009-2010
92.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010
93.	Piraeus Clean Energy Holdings LTD	Holding company	100.00%	Cyprus	2010
94.	Visa Rent A Car	Rent a car company	94.98%	Greece	2010
95.	Adflikton Investments LTD	Property management	100.00%	Cyprus	2009-2010
96.	Cospleon Investments LTD	Property management	100.00%	Cyprus	2010
97.	Cutsofiar Enterprises LTD	Property management	100.00%	Cyprus	2010
98.	Gravieron Company LTD	Property management	100.00%	Cyprus	2008-2010
99.	Kaihur Investments LTD	Property management	100.00%	Cyprus	2007-2010
100.	Pertanam Enterprises LTD	Property management	100.00%	Cyprus	2007-2010
101.	Rockory Enterprises LTD	Property management	100.00%	Cyprus	2010
102.	Topuni Investments LTD	Property management	100.00%	Cyprus	2007-2010
103.	Albalate Company LTD	Property management	100.00%	Cyprus	-
104.	Akimoria Enterprises LTD	Property management	100.00%	Cyprus	-
105.	Alarconarco Enterprises LTD	Property management	100.00%	Cyprus	-

Companies numbered 30, 60, 68-69 and 71-75 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 43, 45 and 90 although presenting less than 50% holding percentage, are subsidiaries due to existence of control.

The company numbered 68 is under liquidation because the third securitisation of mortgage loans was called back (note 21) in February 2011. Also, as at 30/9/2011 the companies numbered 29, 47-50, 56 and 62 were under liquidation, though company 90 was under dissolution.

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

a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece	2010
2.	Evros' Development Company S.A.	European community programs management	30.00%	Greece	2010
3.	Project on Line S.A.	Information technology & software	40.00%	Greece	2010
4.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	27.80%	Greece	2010
5.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2010
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	2010
8.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2010
9.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece	2008-2010
10.	Ekathariseis Aktoploias S.A.	Ticket settlements	49.00%	Greece	-
11.	Trastor Real Estate Investment Company	Real estate investment property	33.80%	Greece	2006-2010
12.	Euroterra S.A.	Property management	39.22%	Greece	2010
13.	Rebikat S.A.	Property management	40.00%	Greece	2010
14.	Abies S.A.	Property management	40.00%	Greece	2010
15.	ACT Services S.A.	Accounting and tax consulting	49.00%	Greece	2010
16.	Exodus S.A.	Information technology & software	50.10%	Greece	2010
17.	Good Works Energy Photovoltaics S.A.	Construction & operation PV solar projects	33.15%	Greece	2005-2010
18.	Entropia Kimatiki S.A.	Property Management	33.30%	Greece	2010

The company numbered 16 is included in the associate companies' portfolio, as Piraeus Bank Group owns 40.10% of the voting rights. The company numbered 10 is under liquidation as at 30/9/2011.

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

C) Subsidiaries and associates companies from discontinued operations

Piraeus Bank Group companies that are included in discontinued operations are analyzed below. Companies numbered 1-7 were consolidated as subsidiaries with full consolidation method and companies number 8-9 as associate companies with equity accounting method.

a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Piraeus Bank Egypt S.A.E.	Banking activities	98.03%	Egypt	2003-2010
2.	Piraeus Egypt Leasing Co.	Finance leases	98.03%	Egypt	2007-2010
3.	Piraeus - Egypt Asset Management Co.	Property administration	88.35%	Egypt	2005-2010
4.	Piraeus Egypt for Securities Brokerage Co.	Stock exchange operations	98.02%	Egypt	2007-2010
5.	Piraeus Insurance Brokerage Egypt	Insurance brokerage	96.01%	Egypt	2008-2010
6.	Integrated Services Systems Co.	Warehouse & mail distribution management	96.99%	Egypt	2004-2010
7.	Piraeus Bank Egypt Investment Company	Investment company	97.93%	Egypt	2007-2010
8.	Alexandria for Development & Investment	Investment company	21.57%	Egypt	2008-2010
9.	Nile Shoes Company	Footwear seller- manufacturer	38.56%	Egypt	2003-2010

17 Balance sheet - Discontinued operations

The assets and liabilities of Piraeus Bank Egypt Group, which is classified as discontinued operations are analysed as follows:

	30 September 2011
ASSETS	
Cash and balances with Central Banks	138,827
Loans and advances to credit institutions	165,251
Trading securities	2,217
Loans and advances to customers (net of provisions)	713,230
Available for sale securities	88,443
Held to maturity securities	10,829
Debt securities - receivables	179,563
Investments in associated undertakings	1,610
Intangible assets	23,332
Property, plant and equipment	37,478
Assets held for sale	517
Other assets	15,290
Total Assets	1,376,587
LIABILITIES	
Due to credit institutions	9,306
Due to customers	1,015,083
Other provisions	3,744
Current income tax liabilities	711
Deferred tax liabilities	238
Other liabilities	19,551
Total Liabilities	1,048,634

18 Due to credit institutions

Due to credit institutions includes refinancing operations through repo transactions within the eurosystem amounting to € 20.9 billion (31/12/2010: € 17.2 billion). The increase of the raised liquidity of the Group from ECB through the available refinancing operations with collaterals, during the 9month period of 2011, displays the decreased overall liquidity within the Greek banking system (reduction of deposits).

19 Liabilities at fair value through profit or loss

As at 30/9/2011 the Group had open selling positions in Greek government bonds with fair value of € 319.6 million.

20 Due to customers

	30 September 2011	31 December 2010
Current and sight deposits	4,212,673	4,706,558
Savings account	3,053,247	3,676,013
Term deposits	16,344,879	20,633,524
Other accounts	297,324	237,584
Repurchase agreements	265,237	221,319
	24,173,359	29,474,998

21 Debt securities in issue

	30 September 2011	31 December 2010
ETBA bonds	61,921	124,355
Euro Commercial Paper (Short term securities)	-	46,875
Euro Medium Term Note (Medium/ long term securities)		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 500 m. floating rate notes due 2011	402,588	422,837
€ 5.05 m. floating rate notes due 2011	-	3,750
€ 20 m. floating rate notes due 2012	19,994	19,989
€ 500 m. fixed rate notes due 2011	-	488,473
€ 500 m. fixed rate notes due 2012	377,274	469,569
€ 50.3 m. fixed rate notes due 2012	44,718	54,136
€ 25.5 m. fixed rate notes due 2013	23,859	26,462
Accrued interest and other expenses	2,785	22,018
	931,218	1,567,234

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	30 September 2011	31 December 2010
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	198,050	242,601
€ 1,250 m. floating rate notes due 2054	597,519	678,553
	<u>795,568</u>	<u>921,154</u>
Total debt securities in issue	<u>1,788,707</u>	<u>2,659,618</u>

Issuance under the Euro Commercial Paper and Euro Medium Term Note programs is undertaken through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank Group. Information concerning the new issues of debt securities during the period 1/1-30/09/2011, which have been retained by the Bank, are presented below :

In February 2011 Piraeus Bank issued its 3-year floating rate senior bond in the amount of € 950 million. The bond was issued with the unconditional guarantee of the Hellenic Republic under Art. 2 of Law 3723/2008 through Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bond pays a floating rate coupon of 3M Euribor plus 1000bps. In May the bond was re-tapped in the amount of € 800 million with the same terms and conditions increasing the final outstanding amount to € 1,750 million. The bond has been retained by Piraeus Bank.

In February 2011 Piraeus Bank issued its 3-year covered bond in the amount of € 1,250 million. The bond has a 10 year extension period and pays a floating rate coupon of 1M Euribor plus 100bps. The bond has been retained by Piraeus Bank.

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. The third securitisation of mortgage loans in the amount of € 800 million, was called back in February 2011 and the first leasing receivables securitisation in the amount of € 540 million was called back in March 2011.

22 Hybrid capital and other borrowed funds

	30 September 2011	31 December 2010
Hybrid capital (Tier I)		
€ 200 m. floating rate notes	158,636	158,636
Accrued interest and other expenses	972	803
	<u>159,608</u>	<u>159,439</u>
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	341,231	346,028
Accrued interest and other expenses	2,423	1,117
	<u>343,654</u>	<u>347,145</u>
Other borrowed funds (USD)	<u>3,818</u>	<u>3,858</u>
Total hybrid capital and other borrowed funds	<u>507,079</u>	<u>510,442</u>

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

23 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Group as at 30/9/2011 are not expected to have any significant impact on the financial statements of the Group, according to the opinion of the legal affairs division of the Bank and its subsidiaries.

B) Credit commitments

As at 30/9/2011 the Group had the following capital commitments:

	30 September 2011	31 December 2010
Letters of guarantee	2,500,012	2,872,163
Letters of credit	55,693	129,312
Commitments to extent credit	3,396,705	3,609,990
	<u>5,952,411</u>	<u>6,611,465</u>

C) Assets pledged

	30 September 2011	31 December 2010
Balances with central banks	482	384
Trading securities	451,825	365,514
Investment securities	5,268,960	6,001,136
Debt securities held by the Group own issue	11,383,129	13,152,339
Loans and advances to customers	6,698,973	3,951,542
Debt securities - receivables	1,974,718	2,410,200
	<u>25,778,087</u>	<u>25,881,115</u>

In the "Debt securities held by the Group own issue" category, an amount of € 11,261 million refers to securities that had been issued with the unconditional guarantee of the Hellenic Republic and an amount of € 122 million refers to securities derived from the securitization of mortgage loans. The prementioned securities are not included in assets.

D) Operating lease commitments and receivables

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

	30 September 2011	31 December 2010
Up to 1 year	44,163	44,732
From 1 to 5 years	177,889	177,753
More than 5 years	334,212	331,916
	556,263	554,401

24 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
Opening balance at 1 January 2010	1,974,020	927,739	(123)	2,901,636
Reduction of the nominal value of ordinary shares	(1,503,138)	1,503,138	-	0
Purchases of treasury shares	-	-	(8,787)	(8,787)
Sales of treasury shares	-	-	120	120
Balance at 31 December 2010	470,882	2,430,877	(8,790)	2,892,969
Opening balance at 1 January 2011	470,882	2,430,877	(8,790)	2,892,969
Increase of share capital through cash payment	242,116	522,478	-	764,594
Acquisition of treasury shares due to share capital increase	-	-	(3,873)	(3,873)
Purchases of treasury shares and preemption rights	-	-	(18,529)	(18,529)
Sales of treasury shares and preemption rights	-	-	27,094	27,094
Balance at 30 September 2011	712,998	2,953,355	(4,097)	3,662,256

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 2010	413,840,653	(14,451)	413,826,202
Purchases of treasury shares	-	(2,624,000)	(2,624,000)
Sales of treasury shares	-	14,278	14,278
Balance at 31 December 2010	413,840,653	(2,624,173)	411,216,480

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1 January 2011	413,840,653	(2,624,173)	411,216,480
Issue of new shares	807,054,045	-	807,054,045
Acquisition of treasury shares due to share capital increase	-	(3,872,743)	(3,872,743)
Purchases of treasury shares and preemption rights	-	(17,293,384)	(17,293,384)
Sales of treasury shares and preemption rights	-	20,049,712	20,049,712
Balance at 30 September 2011	1,220,894,698	(3,740,588)	1,217,154,110

On 1/1/2011 the Bank's share capital amounted to € 470,881,754.88, divided to 336,272,519 ordinary registered shares with voting rights, each with a nominal value of € 0.30 and 77,568,134 preference shares without voting rights L.3723/2008, each with a nominal value of € 4.77.

The Board of Directors on January 3, 2011 resolved upon the increase of the Bank's share capital by an amount of € 242,116,213.50 through payment in cash and the granting of a pre-emption right to the existing ordinary shareholders at a subscription ratio of 12 new shares for every 5 existing ordinary registered shares and at subscription price of € 1 per new share. The share capital increase concluded on January 31, 2011 with the issuance of 807,054,045 new ordinary registered shares of nominal value € 0.30 each. The Share premium reserve increased by € 522,478,236.59 after the deduction of the expenses related to the share capital increase.

After this increase, the Bank's share capital as of 30/9/2011 amounts to € 712,997,968.38, divided into 1,143,326,564 ordinary registered shares with voting rights, each with a nominal value of € 0.30 and 77,568,134 preference shares without voting rights L. 3723/2008, each with a nominal value of € 4.77.

Pursuant to the provisions of 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 is subject to the provisions of the above mentioned Law 3723/2008. Treasury shares transactions are carried out by the Group subsidiary Piraeus Securities S.A. through its activities relating to its role as a market maker.

The Shareholders General Meeting, that took place on 20/5/2011, resolved not to distribute any dividends to the shareholders for the year 2010, according to the provisions (article 44a of Law 2190/1920 and article 1 of Law 3723/2008 as in force, in conjunction with the article 19 par. 5 of Law 3965/2011), for the credit institutions participating in the Economy reinforcement programme.

The accrued dividend of preference shares for the period 1/1/2011 – 30/9/2011 amounts to € 27.7 million (€ 22.1 million after tax) and it is highly probable that it will not be distributed, as the requirements of the existing legislation are not met.

Pursuant to the Ordinary Shareholders Meeting resolution dated 20/5/2011, an increase of the nominal value of each common share was decided from thirty cents (€ 0.30) to one euro and twenty cents (€ 1.20) with a reduction of the number of common shares of the Bank from one billion one hundred and forty three million three hundred and twenty six thousand five hundred and sixty four (1,143,326,564) to two hundred and eighty five million eight hundred and thirty one thousand six hundred and forty one (285,831,641) (reverse split). The new common shares that were issued following the aforesaid reverse split, are not yet traded in the Athens Exchange.

25 Other reserves and retained earnings

	30 September 2011	31 December 2010
Legal reserve	104,130	100,488
Extraordinary reserve	1,822	1,821
Available for sale reserve	(269,891)	(342,714)
Currency translation reserve	(179,582)	(183,972)
Other reserves	5,067	(8,468)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	(10,278)	-
Total other reserves	(348,733)	(432,845)
Retained earnings	(524,506)	672,687
Total other reserves and retained earnings	(873,239)	239,842

Other reserves movement

	30 September 2011	31 December 2010
Opening balance for the period	(432,845)	(218,195)
Movement of available for sale reserve	72,823	(184,953)
Formation of legal reserve	3,642	4,944
Formation of other reserves	13,536	(13,193)
Foreign exchange differences and other adjustments	4,389	(21,448)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	(10,278)	-
Closing balance for the period	(348,733)	(432,845)

Available for sale reserve movement

	30 September 2011	31 December 2010
Opening balance for the period	(342,714)	(157,762)
Gains/ (losses) from the valuation of bonds	(158,367)	(199,666)
Gains/ (losses) from the valuation of shares and mutual funds	(55,906)	(67,229)
Recycling to income statement of Greek government bonds impairment	294,447	-
Recycling to income statement of shares and mutual funds impairment	3,053	-
Change on deferred income taxes due to recycling to income statement of Greek government bonds impairment	(57,863)	-
Deferred income tax	32,122	49,574
Recycling of the accumulated fair value adjustment of disposed securities	(1,950)	480
Depreciation of accumulated impairment of transferred bonds	13,403	20,289
Foreign exchange differences and other movements	(373)	11,600
Less: Balance for the period of discontinued operations	4,257	-
Closing balance for the period	(269,891)	(342,714)

Recycling to income statement of Greek government bonds impairment includes impairment of € 54 million that relates to reclassified in previous financial years bonds. These reclassified bonds are reported under held to maturity portfolio and debt securities - receivables as at 30/9/2011.

	30 September 2011	31 December 2010
Retained earnings movement		
Opening balance for the period	672,687	782,619
Premium on equity instrument	-	(67,805)
Profit/ (loss) after tax for the period attributable to the equity holders of the parent entity	(1,173,907)	(20,474)
Prior year dividends of preference shares	-	(18,006)
Earnings/ (losses) from sales of treasury shares	(4,864)	29
Transfer between other reserves and retained earnings	(17,178)	8,249
Acquisitions, disposals, liquidation and movement in participating interest	(1,059)	(11,822)
Other movements	(185)	(103)
Closing balance for the period	(524,505)	672,687

26 Related parties transactions

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

	Board of Directors members and key management personnel	
	30 September 2011	31 December 2010
Loans	135,102	130,521
Deposits	32,712	40,025

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/9/2011 are € 1.9 million (31/12/2010: € 2.3 million). The total income on loans to members of the Board of Directors and to key management personnel for the period 1/1-30/9/2011 is € 3.7 million (1/1-30/9/2010: € 3.2 million). The total expense from deposits of the prementioned related parties for the period is € 0.9 million (1/1-30/9/2010: € 0.6 million).

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

Directors' remuneration	1/1-30/9/2011	1/1-30/9/2010
Salaries and other remuneration	7,701	7,079

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 period, amount to € 28.3 million from € 31.6 million as at 31/12/2010. The full amount of the above provisions has been included in the retirement benefit obligations.

	Associates	
	30 September 2011	31 December 2010
Deposits	54,183	49,347
Loans and advances to customers	98,992	58,564
	1/1-30/9/2011	1/1-30/9/2010
Interest/ expense	(1,400)	(1,536)
Interest/ income	2,495	1,533

27 Changes in the portfolio of subsidiaries and associates

In the period from 1/1/2011 to 30/9/2011, the following changes took place in the Group's portfolio of subsidiaries and associates:

a) Acquisitions - Increases of participation:

In March 2011, Piraeus Bank Cyprus LTD, 100% subsidiary of Piraeus Bank S.A., increased its shareholding in Euroinvestment & Finance Public LTD through the purchase of 394 shares with the amount of € 0.26 thousand, increasing its shareholding percentage from 0.004% to 0.007%, without having a significant influence in the Group's shareholding percentage to the company (90.86%).

During the first quarter of 2011, Piraeus Bank S.A. increased its shareholding percentage by 10% in associates, Euroterra S.A. to 39.22% with the amount of € 7.67 million, Rebikat S.A. to 40% with the amount of € 0.35 million and Abies S.A. to 40% with the amount of € 0.45 million.

On 31/5/2011, Piraeus Bank S.A. bought 2,716 shares of Marathon Banking Corporation, with the amount of € 1.91 million, increasing its shareholding percentage from 96.24% to 98.43%.

On April and May 2011, Piraeus Bank Cyprus LTD, 100% subsidiary of Piraeus Bank S.A., increased its shareholding percentage in Euroinvestment & Finance Public LTD by 0.03% with the amount of € 2.6 thousand. As a result, Piraeus Bank Cyprus LTD increased its shareholding percentage from 0.01% to 0.04%, increasing simultaneously the Group's shareholding percentage from 90.86% to 90.89%.

On 30/9/2011, Piraeus Bank S.A. bought 26,355 shares of Achaia Clauss Estate S.A., with the amount of € 642 thousand, increasing its shareholding percentage from 74.36% to 74.47%.

b) Acquisitions-Establishments:

Piraeus FI Holding LTD, 100% subsidiary of Piraeus Equity Partners LTD, acquired Piraeus Clean Energy LP with the amount of € 0.5 thousand.

Piraeus Clean Energy LP, 100% subsidiary of Piraeus FI Holding LTD, acquired 100% of Piraeus Clean Energy Holdings LTD, with the amount of € 1 thousand.

On 20/4/2011, R.E. Anodus LTD, 100% subsidiary of Piraeus Bank S.A. acquired 33.3% of Entropia Ktimatiki S.A. with the amount of € 4.74 million. Entropia Ktimatiki S.A. participates in associates' portfolio.

On 27/6/2011, Piraeus Bank Cyprus LTD, 100% subsidiary of Piraeus Bank S.A., acquired 100% of Adflikton Investments LTD, Cospleon Investments LTD, Cutsofiar Enterprises LTD, Rockory Enterprises LTD, Albalate Company LTD, Akimoria Enterprises LTD, Alarconarco Enterprises LTD with the amount of €1 thousand for each and Gravieron Company LTD, Kaihur Investments LTD, Pertanam Enterprises LTD, Topuni Investments LTD with the amount of €2 thousand for each. The above companies will operate at property management sector.

On 28/7/2011, Olympic Commercial & Tourist Enterprises S.A., 94.98% subsidiary of Piraeus Bank S.A., acquired 100% of Visa Rent A Car with the amount of € 0.10 thousand.

c) Participation in the share capital increases/ decreases:

O.F. Investments Ltd increased its share capital with the amount of € 110 thousand. The amount was fully covered on 1/2/2011 by Piraeus Equity Partners Ltd, 100% subsidiary of Piraeus Bank S.A., acquiring in this way 44% of O.F. Investments Ltd. As a result, Piraeus Bank's S.A. shareholding percentage to the company reduced from 100% to 56%.

Good Works Energy Photovoltaics S.A. increased its share capital with the amount of €160 thousand. On 2/2/2011 ETVA Industrial Parks S.A., 65% subsidiary of Piraeus Bank S.A., covered its shareholding ratio in the share capital increase of Good Works Energy Photovoltaics S.A. through payment of € 81.6 thousand without altering company's and Group's shareholding of 51% and 33.15% respectively.

On 7/2/2011 Good Works Energy Photovoltaics S.A. fully covered the share capital increases of its direct participations as follows: Phoebe Energy Photovoltaics S.A. with the amount of € 31 thousand, Iapetos Energy Photovoltaics S.A. with the amount of € 38 thousand, Orion Energy Photovoltaics S.A. with the amount of € 31 thousand and Astraios Energy Photovoltaics S.A. with the amount of € 30 thousand. Thus, Good Works Energy Photovoltaics' S.A. shareholding percentage in each of the above companies increased from 99.98% to 99.99%, whereas the Group's shareholding percentage in the above companies reduced from 33.16% to 33.15%.

On 9/3/2011 Piraeus Bank S.A. fully covered the share capital increase of New Up Dating Development S.A. with the amount of € 350 thousand, increasing its direct shareholding from 0.17% to 5.67%. Piraeus Real Estate S.A., 100% subsidiary of Piraeus Bank S.A., holds the rest shareholding percentage of 94.33%.

Euroterra S.A., associate of Piraeus Bank S.A. increased its share capital with the amount of € 499.98 thousand. On 30/3/2011 Piraeus Bank S.A. covered its shareholding percentage in the share capital increase with the amount of € 146.07 thousand without altering its shareholding (29.22%).

Piraeus Wealth Management A.E.P.E.Y., 65% subsidiary of Piraeus Bank S.A., increased its share capital with the amount of € 6.50 million. On 5/4/2011 Piraeus Bank S.A., covered its shareholding percentage in the share capital increase with the amount of € 4.23 million, without altering its shareholding percentage (65%).

On 19/5/2011 and 6/6/2011 Piraeus Bank S.A., fully covered the share capital increase of its 99.98% subsidiary JSC Piraeus Bank ICB, with the amount of € 69.52 million, increasing in this way its shareholding percentage to 99.99%.

APE Investment Property S.A., associate of Piraeus Bank S.A., increased its share capital with the amount of €10.00 million. On 29/6/2011 Piraeus Bank S.A. covered its shareholding percentage in the share capital increase with the amount of € 2.72 million, without altering its shareholding percentage of 27.2%.

On 11/7/2011 APE Commercial Property Real Estate Tourist and Development S.A., 27.80% associate of Piraeus Bank S.A., increased its share capital with the amount of € 63.20 million. Piraeus Bank S.A., covered its shareholding percentage in the share capital increase with the amount of € 17.57 million, without altering its shareholding percentage (27.80%).

On 11/7/2011 APE Fixed Assets Real Estate Tourist and Development S.A., 27.80% associate of Piraeus Bank S.A., increased its share capital with the amount of € 45 million. Piraeus Bank S.A., covered its shareholding percentage in the share capital increase with the amount of € 12.51 million, without altering its shareholding percentage (27.80%).

On 8/9/2011, Olympic Commercial & Tourist Enterprises S.A., 94.98% subsidiary of Piraeus Bank S.A., fully covered the share capital increase of its 100% subsidiary, Visa Rent A Car, with the amount of € 450.02 thousand.

d) Liquidation and disposal of shareholding percentages:

On 17/3/2011 Piraeus Bank S.A. sold 56% of O.F. Investments Ltd shareholding percentage with an amount of € 140 thousand to Piraeus Equity Partners Ltd. Thus, Piraeus Equity Partners Ltd increased its shareholding percentage in O.F. Investments Ltd from 44% to 100%, without altering Group's shareholding percentage (100%).

Vitria Investments S.A., 100% subsidiary of Piraeus Bank S.A., was set under liquidation upon decision of the Shareholders General meeting on 17/3/2011. The relevant decision was registered in Panama's Registry on 30/3/2011.

On 18/3/2011 Piraeus Bank S.A. sold 100% of its subsidiary Curdart Holding Ltd with an amount of € 2 thousand to Piraeus Bank Cyprus LTD, without altering Group's shareholding percentage (100%).

Maples Invest & Holding S.A., 100% subsidiary of Piraeus Bank S.A., was set under liquidation upon decision of the Shareholders General meeting on 18/3/2011.

Margetson Invest & Finance S.A., 100% subsidiary of Piraeus Bank S.A., was set under liquidation upon decision of the Shareholders General meeting on 18/3/2011.

On 15/4/2011, the General Meeting's decision of dissolution and liquidation of Capital Investments & Finance S.A., 100% subsidiary of Piraeus Bank S.A., was registered in Liberia's Registry.

On 31/5/2011 and 30/6/2011, Piraeus Bank Cyprus LTD, 100% subsidiary of Piraeus Bank S.A., sold 400,000 and 300,000 shares respectively, of its associate Atlantic Insurance Public Company LTD, with a total amount of € 698.16 thousand. As a result, the shareholding percentage of Piraeus Bank Cyprus LTD decreased from 21.70% to 19.91%. The company was transferred from the associates' portfolio to the available for sale portfolio, as the requirements for its consolidation under the equity method of accounting are no longer met.

On 9/6/2011, ETVA Industrial Parks S.A., 65% subsidiary of Piraeus Bank S.A., sold 10,000 shares of its 92.94% subsidiary DI.VI.PA.KA S.A., with an amount of € 3.50 thousand, decreasing its shareholding percentage to 88.51%. Therefore, Group's shareholding percentage to DI.VI.PA.KA S.A. decreased from 60.41% to 57.53%.

On 29/6/2011, the subsidiary company, Tortilus LTD, was sold with an amount of € 1 thousand. In the above company, Piraeus Equity Partners LTD, 100% subsidiary of Piraeus Bank S.A., participated with a shareholding percentage of 100%.

On 7/7/2011, the Shareholders' General Meeting decided to put into liquidation status Piraeus Wealth Management (Switzerland) S.A., 65% subsidiary of Piraeus Wealth Management A.E.P.E.Y. Group's shareholding percentage in Piraeus Wealth Management (Switzerland) S.A. is 42.25%.

e) Further Changes - Transfers:

On 30/6/2011, the merger through absorption of Piraeus Multifin S.A., 100% subsidiary of Piraeus Bank S.A., by Olympic Commercial & Tourist Enterprises S.A., 94% subsidiary of Piraeus Bank S.A., was completed. As a result, Piraeus Bank's S.A. shareholding percentage in Olympic Commercial & Tourist Enterprises S.A. amounts to 94.98%.

Good Works Energy Photovoltaics S.A., 51% subsidiary of ETVA Industrial Parks S.A., was transferred from the subsidiaries' to the associates' portfolio during the 2nd quarter 2011, as the requirements for its consolidation under the full method of consolidation are no longer met. The shareholding percentage of the Group to the company equals to 33.15%, while the shareholding percentage of Piraeus Bank S.A. to ETVA Industrial Parks S.A. equals to 65%. As a result, the Group of the company Good Works Energy Photovoltaics S.A. (Good Works Energy Photovoltaics S.A. and its direct participations Phoebe Energy Photovoltaics S.A., Iapetos Energy Photovoltaics S.A., Orion Energy Photovoltaics S.A. and Astraios Energy Photovoltaics S.A.), is being consolidated under the equity method of accounting.

f) Renames:

"Erechtheas Investments & Holdings S.A.", 100% subsidiary of Piraeus Bank S.A., has been renamed to "Pleiades Estate S.A.".

28 Restatement of comparatives

The restatement in Consolidated Interim Income Statement and Consolidated Interim Cash Flow Statement of the period 1/1-30/9/2011 for the presentation of "Discontinued operations" (Piraeus Bank Egypt Group) as well as the adjustment of earnings / (losses) per share as a result of the share capital increase and the decision not to distribute dividend to shareholders of preference shares are presented below.

Consolidated income statement	1/1-30/9/2010			1/7-30/9/2010		
	Published amounts	Discontinued operations	Continuing operations	Published amounts	Discontinued operations	Continuing operations
Interest and similar income	1,951,307	72,681	1,878,625	696,616	25,928	670,688
Interest expense and similar charges	(1,054,433)	(57,315)	(997,118)	(391,177)	(21,702)	(369,475)
Net interest income	896,874	15,367	881,507	305,439	4,226	301,213
Fee and commission income	179,444	9,781	169,663	57,573	2,644	54,929
Fee and commission expense	(31,749)	(1,599)	(30,150)	(9,663)	(376)	(9,287)
Net fee and commission income	147,695	8,182	139,513	47,911	2,268	45,642
Dividend income	6,292	590	5,702	378	-	377
Net trading income	(13,457)	1,268	(14,725)	675	536	139
Net income from financial instruments designated at fair value through profit or loss	(6,791)	-	(6,791)	(5,710)	-	(5,710)
Results from investment securities	(9,100)	(548)	(8,552)	(2,659)	(145)	(2,514)
Other operating income	75,018	253	74,765	19,381	12	19,369
Total net income	1,096,531	25,111	1,071,420	365,415	6,899	358,516
Staff costs	(299,059)	(14,999)	(284,060)	(98,840)	(5,460)	(93,380)
Administrative expenses	(264,680)	(8,979)	(255,702)	(93,795)	(3,161)	(90,634)
Depreciation and amortization	(71,514)	(8,804)	(62,710)	(24,134)	(2,933)	(21,201)
Gains/ (Losses) from sale of assets	(331)	6	(337)	(331)	-	(331)
Total operating expenses before provisions	(635,584)	(32,775)	(602,808)	(217,101)	(11,554)	(205,546)
Impairment losses on loans, receivables and Greek government bonds	(416,092)	(15,909)	(400,183)	(149,080)	(4,283)	(144,797)
Other provisions	(2,342)	(26)	(2,316)	(986)	(18)	(969)
Share of profit of associates	(190)	49	(239)	549	12	537
Profit/ (loss) before income tax	42,323	(23,550)	65,873	(1,202)	(8,944)	7,742
Income tax expense	(683)	(2,363)	1,680	5,386	(217)	5,603
Tax contribution	(27,595)	-	(27,595)	-	-	0
Profit/ (loss) after income tax	14,044	(25,914)	39,958	4,184	(9,162)	13,345
Profit/ (Loss) for the period attributable to equity holders of the parent entity	14,069	(25,225)	39,294	4,325	(8,956)	13,280
Non controlling interest	(25)	(688)	664	(141)	(207)	65
Earnings/ (Losses) per share attributable to equity holders of the parent entity:						
- Basic and Diluted	(0.0215)	(0.0397)	0.0619	(0.0085)	(0.0141)	0.0209

Consolidated cash flow statement	1/1-30/9/2010		
	Published amounts	Discontinued operations	Continuing operations
Net cash inflow/ (outflow) from operating activities	3,734,070	540,374	3,193,696
Net cash inflow/ (outflow) from investing activities	(2,040,967)	(17,090)	(2,023,877)
Net cash inflow/ (outflow) from financing activities	(1,067,905)	3	(1,067,908)
Total cash inflows/ (outflows) for the period	625,198	523,287	101,912
Effect of exchange rate fluctuations on cash and cash equivalents	(10,179)	(824)	(9,355)
Net increase/ (decrease) in cash and cash equivalents of the period	615,019	522,463	92,557
Cash and cash equivalents at the beginning of the period	3,389,025	182,319	3,206,706
Cash and cash equivalents at the end of the period	4,004,044	704,781	3,299,263

29 Events subsequent to the end of the interim period

On the 26th of October 2011, at the EU Heads Summit was agreed the official sector to provide additional program financing up to €100 bn to Greece. In this context, the Euro Summit has decided to invite Greece, private investors and all parties concerned, to develop a voluntary bond exchange with a nominal discount of 50% on notional Greek debt held by private investors. The Euro-area Member States would contribute to the PSI package up to €30 bn. The new program should be agreed during the following period and the exchange of bonds should be implemented at the beginning of 2012. The effect of the revised private sector involvement programme (PSI+) on the financial figures of Piraeus Bank is expected to be imprinted in the annual financial statements of 2011.

On the 26th of October 2011, the European Banking Authority (EBA) published the analytical methodology used to assess the required capital buffers for a 9% Core Tier 1 ratio, along with the per country results. Specifically for Greece, EBA only announced that the available €30 billion capital of the Hellenic Financial Stability Fund exceeds the required capital estimated by EBA so that a level of 9% Core Tier 1 ratio is reached.

On the 28th of November 2011, Piraeus Bank announced that it was informed by Standard Chartered Bank of its intent to withdraw from the potential acquisition of Piraeus Bank Egypt. Standard Chartered Bank indicated that this decision was taken in light of the deteriorating global macroeconomic environment and not on account of issues arising out of their due diligence of Piraeus Bank Egypt. Piraeus Bank has communicated this information to regulators in both Greece and Egypt. Piraeus Bank had received indications of interest for Piraeus Bank Egypt from a number of other potential purchasers, which were not examined while discussions with Standard Chartered Bank were ongoing. Piraeus Bank intends to proceed, through a procedure to be announced, in exploring interest and initiating discussions with other interested parties. Meanwhile, Piraeus Bank would like to stress that Piraeus Bank Egypt continues to maintain high levels of capital adequacy and liquidity on a standalone basis, and will continue to provide banking services to its Egyptian client base as a member of Piraeus Bank Group.

Athens, November 29th, 2011

CHAIRMAN
OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR
& C.E.O.

CHIEF FINANCIAL
OFFICER

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