



PIRAEUS BANK GROUP

Consolidated Interim Condensed Financial Information

30 September 2012

According to the International Financial
Reporting Standards

The attached consolidated interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on December 19th, 2012 and it is available on the web site of Piraeus Bank at www.piraeusbank.gr

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

Index to the Consolidated Interim Condensed Financial Information

| Statements | Page |
|--|-------------|
| Consolidated Interim Income Statement | 2 |
| Consolidated Interim Statement of Financial Position | 3 |
| Consolidated Interim Statement of Total Comprehensive Income | 4 |
| Consolidated Interim Statement of Changes in Equity | 4 |
| Consolidated Interim Cash Flow Statement | 5 |
| Notes to the Consolidated Interim Condensed Financial Information: | |
| 1 General information about the Group | 6 |
| 2 General accounting policies, critical accounting estimates and judgements of the Group | 6 |
| 3 Basis of preparation of the consolidated interim condensed financial information | 7 |
| 4 Private sector involvement programme (PSI) | 7 |
| 5 Business segments | 9 |
| 6 Net trading income | 10 |
| 7 Profit/ (Loss) after income tax from discontinued operations | 10 |
| 8 Income tax | 10 |
| 9 Earnings/ (Losses) per share | 10 |
| 10 Analysis of other comprehensive income | 11 |
| 11 Cash and balances with Central Banks | 11 |
| 12 Financial assets at fair value through profit or loss | 11 |
| 13 Loans and advances to customers and debt securities - receivables | 12 |
| 14 Investment securities | 13 |
| 15 Reclassification of financial assets | 13 |
| 16 Investments in subsidiaries and associate companies | 13 |
| 17 Balance sheet - Discontinued operations | 16 |
| 18 Due to credit institutions | 16 |
| 19 Due to customers | 16 |
| 20 Debt securities in issue | 17 |
| 21 Hybrid capital and other borrowed funds | 17 |
| 22 Contingent liabilities and commitments | 17 |
| 23 Share capital | 18 |
| 24 Other reserves and retained earnings | 19 |
| 25 Related parties transactions | 20 |
| 26 Changes in the portfolio of subsidiaries and associates | 20 |
| 27 Restatement of comparatives | 23 |
| 28 Events subsequent to the end of the interim period | 25 |

CONSOLIDATED INTERIM INCOME STATEMENT

| | Note | Period from 1 January to | | Period from 1 July to | |
|---|------|--------------------------|--------------------|-----------------------|-------------------|
| | | 30 September 2012 | 30 September 2011 | 30 September 2012 | 30 September 2011 |
| Interest and similar income | | 2,077,394 | 2,169,046 | 771,560 | 762,643 |
| Interest expense and similar charges | | (1,356,897) | (1,252,882) | (459,434) | (464,186) |
| NET INTEREST INCOME | | 720,496 | 916,164 | 312,126 | 298,457 |
| Fee and commission income | | 163,003 | 172,243 | 59,977 | 55,792 |
| Fee and commission expense | | (22,532) | (26,486) | (8,728) | (9,059) |
| NET FEE AND COMMISSION INCOME | | 140,471 | 145,757 | 51,250 | 46,732 |
| Dividend income | | 5,663 | 3,340 | 3,726 | 255 |
| Net trading income | 6 | 205,018 | 136,403 | (5,916) | 109,294 |
| Net income from financial instruments designated at fair value through profit or loss | | 2,858 | (3,252) | 418 | (898) |
| Results from investment securities | | (646) | 1,270 | (2) | 1,169 |
| Other operating income/ (expense) | | 14,187 | 40,713 | 19,960 | 14,979 |
| TOTAL NET INCOME | | 1,088,047 | 1,240,396 | 381,561 | 469,987 |
| Staff costs | | (278,293) | (282,687) | (108,526) | (91,489) |
| Administrative expenses | | (234,092) | (238,043) | (87,063) | (82,721) |
| Depreciation and amortisation | | (78,412) | (70,803) | (26,445) | (24,195) |
| Gains/ (Losses) from sale of assets | | (505) | (674) | (299) | 944 |
| TOTAL OPERATING EXPENSES BEFORE PROVISIONS | | (591,302) | (592,207) | (222,332) | (197,460) |
| PROFIT BEFORE PROVISIONS AND INCOME TAX | | 496,745 | 648,188 | 159,229 | 272,527 |
| Impairment losses on loans, debt securities and other receivables | 13 | (1,370,732) | (1,616,737) | (564,688) | (547,085) |
| Impairment on investment securities | | (358,074) | (411,702) | (428) | (107,473) |
| Other provisions and impairment | | (37,819) | (6,133) | (401) | (3,266) |
| Share of profit of associates | | 16,459 | (17,496) | 27,365 | (11,682) |
| PROFIT/ (LOSS) BEFORE INCOME TAX | | (1,253,421) | (1,403,880) | (378,924) | (396,979) |
| Income tax | 8 | 619,191 | 218,930 | 104,675 | 42,170 |
| PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS | | (634,230) | (1,184,950) | (274,249) | (354,809) |
| Profit after income tax from discontinued operations | 7 | 13,242 | 3,071 | 10,548 | 1,067 |
| PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD | | (620,988) | (1,181,879) | (263,701) | (353,742) |
| From continuing operations | | | | | |
| Profit/ (Loss) for the period attributable to equity holders of the parent entity | | (628,879) | (1,176,901) | (273,736) | (354,576) |
| Non controlling interest | | (5,351) | (8,049) | (513) | (232) |
| From discontinued operations | | | | | |
| Profit for the period attributable to equity holders of the parent entity | | 13,195 | 2,995 | 10,542 | 1,050 |
| Non controlling interest | | 47 | 76 | 7 | 17 |
| Earnings/ (Losses) per share attributable to equity holders of the parent entity (in euros): | | | | | |
| From continuing operations | | | | | |
| - Basic and Diluted | 9 | (0.5502) | (1.1082) | (0.2395) | (0.3126) |
| From discontinued operations | | | | | |
| - Basic and Diluted | 9 | 0.0115 | 0.0028 | 0.0092 | 0.0009 |

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| ASSETS | Note | 30 September 2012 | 31 December 2011 |
|---|-------------|--------------------------|-------------------------|
| Cash and balances with Central Banks | 11 | 2,541,567 | 2,552,717 |
| Loans and advances to credit institutions | | 415,348 | 316,136 |
| Derivative financial instruments - assets | | 416,604 | 379,238 |
| Trading securities | 12 | 325,556 | 464,313 |
| Financial instruments at fair value through profit or loss | 12 | 7,333 | 9,922 |
| Reverse repos with customers | | 1,936 | 57,395 |
| Loans and advances to customers and debt securities - receivables (net of provisions) | 13 | 50,049,206 | 35,633,795 |
| Investment securities | | | |
| - Available for sale securities | 14 | 4,626,661 | 2,745,065 |
| - Held to maturity | 14 | 881,952 | 1,249,849 |
| Investments in associated undertakings | | 303,747 | 214,642 |
| Intangible assets | | 397,893 | 325,454 |
| Property, plant and equipment | | 1,162,430 | 896,756 |
| Investment property | | 1,050,160 | 877,511 |
| Assets held for sale | | 15,162 | 14,021 |
| Deferred tax assets | | 1,751,647 | 1,177,992 |
| Inventories property | | 316,170 | 264,891 |
| Other assets | | 2,616,425 | 1,015,395 |
| Assets from discontinued operations | 17 | 544,355 | 1,157,214 |
| TOTAL ASSETS | | 67,424,151 | 49,352,308 |
| LIABILITIES | | | |
| Due to credit institutions | 18 | 33,709,577 | 25,413,598 |
| Liabilities at fair value through profit or loss | | 868 | 18,475 |
| Derivative financial instruments - liabilities | | 399,173 | 389,728 |
| Due to customers | 19 | 33,128,324 | 21,795,677 |
| Debt securities in issue | 20 | 379,640 | 1,268,045 |
| Hybrid capital and other borrowed funds | 21 | 334,092 | 498,968 |
| Retirement benefit obligations | | 181,036 | 172,856 |
| Other provisions | | 9,434 | 18,302 |
| Current income tax liabilities | | 17,071 | 13,742 |
| Deferred tax liabilities | | 37,298 | 46,640 |
| Other liabilities | | 993,032 | 648,774 |
| Liabilities from discontinued operations | 17 | 624,962 | 1,007,341 |
| TOTAL LIABILITIES | | 69,814,507 | 51,292,146 |
| EQUITY | | | |
| Share capital | 23 | 1,092,998 | 1,092,998 |
| Share premium | 23 | 2,953,356 | 2,953,356 |
| Less: Treasury shares | 23 | (336) | (192) |
| Other reserves | 24 | 28,219 | (131,058) |
| Amounts recognized directly in equity relating to non-current assets from discontinued operations | 24 | 3,732 | (14,529) |
| Retained earnings | 24 | (6,598,081) | (5,975,642) |
| Capital and reserves attributable to equity holders of the parent entity | | (2,520,112) | (2,075,067) |
| Non controlling interest | | 129,755 | 135,228 |
| TOTAL EQUITY | | (2,390,357) | (1,939,838) |
| TOTAL LIABILITIES AND EQUITY | | 67,424,151 | 49,352,308 |

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

| | Note | Period from 1 January to | | Period from 1 July to | |
|--|------|--------------------------|--------------------|-----------------------|-------------------|
| | | 30 September 2012 | 30 September 2011 | 30 September 2012 | 30 September 2011 |
| CONTINUING OPERATIONS | | | | | |
| Profit/ (loss) after tax for the period (A) | | (634,230) | (1,184,950) | (274,249) | (354,809) |
| Other comprehensive income, net of tax: | | | | | |
| Net change in available for sale reserve | 10 | 169,647 | 69,233 | 132,613 | (18,668) |
| Change in currency translation reserve | 10 | (6,181) | (1,980) | 4,301 | (12,459) |
| Other comprehensive income for the period, net of tax (B) | 10 | 163,466 | 67,253 | 136,914 | (31,127) |
| Total comprehensive income for the period, net of tax (A+B) | | (470,764) | (1,117,697) | (137,335) | (385,936) |
| - Attributable to equity holders of the parent entity | | (465,434) | (1,109,542) | (136,792) | (385,840) |
| - Non controlling interest | | (5,330) | (8,155) | (543) | (96) |
| DISCONTINUED OPERATIONS | | | | | |
| Profit after tax for the period (C) | | 13,242 | 3,071 | 10,548 | 1,067 |
| Net change in available for sale reserve | 10 | 4,340 | (704) | 4,264 | (284) |
| Change in currency translation reserve | 10 | 3,153 | 257 | 2,451 | 2,292 |
| Other comprehensive income for the period, net of tax (D) | 10 | 7,493 | (447) | 6,715 | 2,008 |
| Total comprehensive income for the period, net of tax (C+D) | | 20,735 | 2,624 | 17,263 | 3,075 |
| - Attributable to equity holders of the parent entity | | 20,690 | 2,569 | 17,295 | 2,980 |
| - Non controlling interest | | 45 | 55 | (32) | 95 |

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

| | Note | Attributable to owners of the parent | | | | | Minority interests | TOTAL |
|---|--------|--------------------------------------|------------------|-----------------|------------------|--------------------|--------------------|--------------------|
| | | Share Capital | Share Premium | Treasury shares | Other reserves | Retained earnings | | |
| Opening balance as at 1 January 2011 | | 470,882 | 2,430,877 | (8,790) | (432,845) | 672,687 | 140,920 | 3,273,731 |
| Other comprehensive income for the period, net of tax | 10 | | | | 66,934 | | (127) | 66,807 |
| Results after tax for the period of 1/1/2011 - 30/9/2011 | 24 | | | | | (1,173,907) | (7,972) | (1,181,879) |
| Total recognised income for the period of 1/1/2011 - 30/9/2011 | | 0 | 0 | 0 | 66,934 | (1,173,907) | (8,099) | (1,115,072) |
| Increase of share capital through cash payment | 23 | 242,116 | 522,478 | | | | | 764,594 |
| (Purchases)/ sales of treasury shares and preemption rights | 23, 24 | | | 4,693 | | (4,864) | | (171) |
| Transfer between other reserves and retained earnings | 24 | | | | 17,178 | (17,178) | | 0 |
| Acquisitions, disposals, liquidation and movement in participating interest | 24 | | | | | (1,059) | 516 | (543) |
| Other movements | 24 | | | | | (185) | | (185) |
| Balance as at 30 September 2011 | | 712,998 | 2,953,356 | (4,097) | (348,733) | (524,506) | 133,337 | 2,922,355 |
| Opening balance as at 1 October 2011 | | 712,998 | 2,953,356 | (4,097) | (348,733) | (524,506) | 133,337 | 2,922,355 |
| Other comprehensive income for the period, net of tax | | | | | 197,640 | | 177 | 197,817 |
| Results after tax for the period 1/10/2011 - 31/12/2011 | 24 | | | | | (5,439,472) | 3,232 | (5,436,240) |
| Total recognised income for the period 1/10/2011 - 31/12/2011 | | 0 | 0 | 0 | 197,640 | (5,439,472) | 3,409 | (5,238,423) |
| Prior year dividends of ordinary shares | | | | | | | (30) | (30) |
| Issue of preference shares | 23, 24 | 380,000 | | | | (4,180) | | 375,820 |
| (Purchases)/ sales of treasury shares | 23, 24 | | | 3,905 | | (2,670) | | 1,235 |
| Transfer between other reserves and retained earnings | 24 | | | | 5,418 | (5,418) | | 0 |
| Acquisitions, disposals, liquidation and movement in participating interest | 24 | | | | 88 | 605 | (1,486) | (793) |
| Balance as at 31 December 2011 | | 1,092,998 | 2,953,356 | (192) | (145,587) | (5,975,641) | 135,230 | (1,939,838) |
| Opening balance as at 1 January 2012 | | 1,092,998 | 2,953,356 | (192) | (145,587) | (5,975,641) | 135,230 | (1,939,838) |
| Other comprehensive income for the period, net of tax | 10 | | | | 170,940 | | 18 | 170,959 |
| Results after tax for the period 1/1/2012 - 30/9/2012 | 24 | | | | | (615,684) | (5,304) | (620,988) |
| Total recognised income for the period 1/1/2012 - 30/9/2012 | | 0 | 0 | 0 | 170,940 | (615,684) | (5,286) | (450,029) |
| Prior year dividends of ordinary shares | | | | | | | (250) | (250) |
| Expenses on issue of preference shares | 24 | | | | | (23) | | (23) |
| (Purchases)/ sales of treasury shares | 23, 24 | | | (144) | | 167 | | 23 |
| Transfer between other reserves and retained earnings | 24 | | | | 7,037 | (7,037) | | 0 |
| Acquisitions, disposals, absorption, liquidation and movement in participating interest | 24 | | | | (439) | 137 | 61 | (241) |
| Balance as at 30 September 2012 | | 1,092,998 | 2,953,356 | (336) | 31,951 | (6,598,081) | 129,755 | (2,390,357) |

CONSOLIDATED INTERIM CASH FLOW STATEMENT

| | Note | Period from 1 January to | |
|--|------|--------------------------|--------------------|
| | | 30 September 2012 | 30 September 2011 |
| <i>Cash flows from operating activities from continuing operations</i> | | | |
| Profit/ (Loss) before tax | | (1,253,421) | (1,403,880) |
| <i>Adjustments to profit/ (loss) before tax:</i> | | | |
| Add: provisions and impairment | | 1,752,394 | 2,034,572 |
| Add: depreciation and amortisation charge | | 78,412 | 70,803 |
| Add: retirement benefits | | 14,452 | 24,626 |
| (Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss | | 98,696 | (61,955) |
| (Gains)/ losses from investing activities | | <u>(259,973)</u> | <u>13,735</u> |
| <i>Cash flows from operating activities before changes in operating assets and liabilities</i> | | 430,561 | 677,902 |
| <i>Changes in operating assets and liabilities:</i> | | | |
| Net (increase)/ decrease in cash and balances with Central Bank | | 142,725 | (29,310) |
| Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss | | (98,470) | 124,980 |
| Net (increase)/ decrease in debt securities - receivables | | 253,878 | (546,166) |
| Net (increase)/ decrease in loans and advances to credit institutions | | 79,587 | 77,956 |
| Net (increase)/ decrease in loans and advances to customers | | 970,142 | 494,857 |
| Net (increase)/ decrease in reverse repos with customers | | 55,459 | 300,714 |
| Net (increase)/ decrease in other assets | | (245,167) | (16,446) |
| Net increase/ (decrease) in amounts due to credit institutions | | 1,692,047 | 4,867,769 |
| Net increase/ (decrease) in liabilities at fair value through profit or loss | | (17,607) | 10,769 |
| Net increase/ (decrease) in amounts due to customers | | (3,895,605) | (4,273,652) |
| Net increase/ (decrease) in other liabilities | | <u>141,323</u> | <u>(246,119)</u> |
| <i>Net cash flow from operating activities before income tax payment</i> | | (491,127) | 1,443,252 |
| Income tax paid (including tax contribution) | | <u>(13,043)</u> | <u>(62,398)</u> |
| Net cash inflow/ (outflow) from continuing operating activities | | (504,170) | 1,380,854 |
| <i>Cash flows from investing activities of continuing operations</i> | | | |
| Purchases of property, plant and equipment | | (103,742) | (143,990) |
| Sales of property, plant and equipment | | 17,912 | 34,158 |
| Purchases of intangible assets | | (114,945) | (14,900) |
| Purchases of held for sale assets | | (5,368) | (7,565) |
| Sales of held for sale assets | | 4,437 | 5,309 |
| Purchases of investment securities | | (5,542,351) | (2,412,351) |
| Disposals/ maturity of investment securities | | 5,909,715 | 1,338,258 |
| Acquisition of subsidiaries (net of cash & cash equivalents acquired) | | (515) | (2,544) |
| Sales of subsidiaries without cash and balances sold | | (84,427) | 5 |
| Sales of associates | | 0 | 698 |
| Acquisition and participation in share capital increases of associates | 26 | (844) | (46,156) |
| Dividends received | | <u>5,620</u> | <u>3,310</u> |
| Net cash inflow/ (outflow) from continuing investing activities | | 85,492 | (1,245,768) |
| <i>Cash flows from financing activities of continuing operations</i> | | | |
| Net proceeds from issue/ (repayment) of debt securities and other borrowed funds | | (808,365) | (874,234) |
| Increase of share capital through cash payment | | - | 753,980 |
| Prior year dividends paid | | (252) | (7) |
| Purchases/ sales of treasury shares and preemption rights | | 23 | (171) |
| Other cashflows from financing activities | | <u>27,758</u> | <u>14,935</u> |
| Net cash inflow/ (outflow) from continuing financing activities | | (780,837) | (105,498) |
| Effect of exchange rate changes on cash and cash equivalents | | <u>(5,864)</u> | <u>12,770</u> |
| Net increase/ (decrease) in cash and cash equivalents of the period from continuing activities (A) | | (1,205,379) | 42,359 |
| <i>Net cash flows from discontinued operating activities</i> | | | |
| Net cash flows from discontinued operating activities | | (5,508) | (25,449) |
| Net cash flows from discontinued investing activities | | 17,059 | 14,144 |
| Net cash flows from discontinued financing activities | | 3 | (40) |
| Effect of exchange rate changes on cash and cash equivalents | | <u>122</u> | <u>0</u> |
| Net increase/ (decrease) in cash and cash equivalents of the period from discontinued activities (B) | | 11,675 | (11,346) |
| Cash and cash equivalents at the beginning of the period (C) | | 2,681,134 | 4,034,929 |
| Cash and cash equivalents at the acquisition date, of assets and liabilities of former ATEbank S.A. and its subsidiaries (D) | | <u>1,118,064</u> | <u>-</u> |
| Cash and cash equivalents at the end of the period (A)+(B)+(C)+(D) | | 2,605,495 | 4,065,943 |

The notes on pages 6 to 25 are an integral part of the consolidated interim condensed financial information.

1. General information about the Group

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

Piraeus Bank (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern Europe, Egypt, as well as United Kingdom. The Group employs in total 17,641 people of which 281 people, refer to discontinued operations (ATE Insurance S.A and ATE Insurance Romania S.A.).

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

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

a. General accounting policies

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

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

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

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

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

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

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

b.1. Impairment losses on loans and advances

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

b.2. Fair value of derivative financial instruments

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

b.3. Impairment of available for sale portfolio

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

takes also into account evidence of deterioration in the financial performance of the investee, as well as industry and sector performance and changes in technology.

b.4. Securitisations and special purpose entities

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

b.5. Held to maturity investments

The Group follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity. In case that the Group sells a significant amount of the held to maturity investments, then it will be required to reclassify the entire class to the available for sale portfolio. The investments would therefore be remeasured at fair value.

b.6. Investment property

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

b.7. Income taxes

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

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

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

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

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

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

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

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

4. Private sector involvement programme (PSI)

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

compared to the initial loss that was recognized in the consolidated interim condensed financial information for June and for September 2011.

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

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

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

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

5 Business segments

Piraeus Bank Group has defined the following business segments:

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

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

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

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

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

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

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

| | Retail Banking | Corporate Banking | Investment Banking | Asset Management & Treasury | Other business segments | Eliminations | Group | Group (Continuing operations) | Discontinued operations |
|--------------------------------|----------------|-------------------|--------------------|-----------------------------|-------------------------|--------------|-------------|-------------------------------|-------------------------|
| 1/1-30/9/2012 | | | | | | | | | |
| Net interest income | 677,238 | 248,925 | (494) | (11,848) | (180,203) | 5,669 | 739,287 | 720,496 | 18,790 |
| Net fee and commission income | 105,223 | 20,040 | 1,903 | 3,820 | 13,496 | (3,205) | 141,277 | 140,471 | 806 |
| Net revenues | 834,729 | 267,404 | 8,935 | (98,886) | 145,537 | (39,131) | 1,118,588 | 1,088,047 | 30,541 |
| Segment results | (754,202) | (11,916) | (4,054) | (451,380) | (28,142) | - | (1,249,694) | (1,269,880) | 20,186 |
| Share of results of associates | | | | | | | 16,459 | 16,459 | 0 |
| Results before tax | | | | | | | (1,233,234) | (1,253,421) | 20,186 |
| Income tax | | | | | | | 612,247 | 619,191 | (6,944) |
| Results after tax | | | | | | | (620,988) | (634,230) | 13,242 |
| Other segment items | | | | | | | | | |
| Capital expenditure | 67,036 | 11,592 | 94 | 1,603 | 138,366 | - | 218,691 | 218,687 | 6 |
| Depreciation and amortisation | 37,401 | 5,751 | 290 | 724 | 35,612 | - | 79,778 | 78,412 | 1,366 |
| Provisions and impairment | 1,087,442 | 223,099 | 4,364 | 312,663 | 131,376 | - | 1,758,944 | 1,766,625 | (7,681) |
| At 30 September 2012 | | | | | | | | | |
| Segment assets | 33,945,028 | 8,504,393 | 83,918 | 10,479,098 | 14,411,713 | - | 67,424,151 | 66,879,796 | 544,355 |
| Segment liabilities | 30,339,292 | 1,698,865 | 354,669 | 34,459,952 | 2,961,730 | - | 69,814,507 | 69,189,545 | 624,962 |
| 1/1-30/9/2011 | | | | | | | | | |
| Net interest income | 664,462 | 212,747 | (1,046) | 158,299 | (124,032) | 21,346 | 931,777 | 916,164 | 15,613 |
| Net fee and commission income | 104,736 | 23,870 | 5,924 | 2,730 | 9,381 | (134) | 146,507 | 145,757 | 750 |
| Net revenues | 871,386 | 248,859 | 16,728 | 264,188 | (103,774) | (40,164) | 1,257,223 | 1,240,396 | 16,827 |
| Segment results | (465,288) | (56,277) | 1,351 | (878,943) | 17,496 | - | (1,381,660) | (1,386,384) | 4,724 |
| Share of results of associates | | | | | | | (17,496) | (17,496) | 0 |
| Results before tax | | | | | | | (1,399,156) | (1,403,880) | 4,724 |
| Income tax | | | | | | | 217,277 | 218,930 | (1,653) |
| Results after tax | | | | | | | (1,181,880) | (1,184,951) | 3,071 |
| Other segment items | | | | | | | | | |
| Capital expenditure | 71,904 | 10,585 | 167 | 1,381 | 76,686 | - | 160,723 | 158,890 | 1,833 |
| Depreciation and amortisation | 39,096 | 6,871 | 404 | 693 | 24,792 | - | 71,856 | 70,803 | 1,053 |
| Provisions and impairment | 760,231 | 155,369 | 5,629 | 1,113,343 | - | - | 2,034,572 | 2,034,572 | 0 |
| At 31 December 2011 | | | | | | | | | |
| Segment assets | 26,489,193 | 8,478,297 | 78,312 | 12,796,510 | 1,509,996 | - | 49,352,308 | 48,195,094 | 1,157,214 |
| Segment liabilities | 19,888,754 | 1,153,997 | 358,798 | 27,517,254 | 2,373,343 | - | 51,292,146 | 50,284,806 | 1,007,341 |

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

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

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

6 Net trading income

Net trading income amounts to € 205 million gain for the period 1/1-30/9/2012 mainly due to the buyback of hybrid capital (Tier 1), subordinated debt (Lower Tier 2) and bonds from securitization of loans.

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

The periods 1/1-30/9/2012 and the 3rd quarter of 2012 include the results of ATE Insurance S.A., and ATE Insurance Romania S.A., as well as the results of Marathon Banking Corporation until the date of its sale. The periods of 1/1-30/9/2011 and the 3rd quarter of 2011 include the results of Marathon Banking Corporation.

| | 1/1-30/9/2012 | 1/1-30/9/2011 | 1/7-30/9/2012 | 1/7-30/9/2011 |
|---|-----------------|-----------------|----------------|----------------|
| Net interest income | 18,790 | 15,613 | 6,842 | 5,208 |
| Net fee and commission income | 806 | 750 | 274 | 259 |
| Dividend Income | 120 | 85 | 61 | 27 |
| Net trading income | 1,236 | - | 1,236 | - |
| Results from investment securities | (57) | - | (57) | - |
| Other operating income/ (expense) | 248 | 379 | (30) | 126 |
| Total net income | 21,144 | 16,827 | 8,326 | 5,619 |
| Staff costs | (9,576) | (5,941) | (5,091) | (2,028) |
| Administrative expenses | (7,093) | (5,109) | (3,675) | (1,588) |
| Depreciation and amortization | (1,366) | (1,053) | (596) | (351) |
| Total operating expenses before provisions | (18,036) | (12,103) | (9,362) | (3,967) |
| Impairment losses on loans, debt securities and other receivables | - | - | - | (11) |
| Other provisions and impairment | 7,681 | - | 7,681 | - |
| Profit/ (loss) before income tax | 10,790 | 4,724 | 6,645 | 1,641 |
| Income tax | (6,944) | (1,653) | (5,494) | (574) |
| Profit/ (loss) after income tax from discontinued operations | 3,845 | 3,071 | 1,152 | 1,067 |
| Profit/ (loss) from disposal of discontinued operations | 9,397 | - | 9,397 | - |
| Profit/ (loss) from discontinued operations | 13,242 | 3,071 | 10,548 | 1,067 |

8 Income tax

| | 1/1-30/9/2012 | 1/1-30/9/2011 |
|--------------------------------|----------------|----------------|
| Current Tax | (9,658) | (65,555) |
| Deferred tax | 630,010 | 289,572 |
| Provisions for tax differences | (1,161) | (5,088) |
| | 619,191 | 218,930 |

By virtue of law 3943/2011 (Government Gazette A' 66/31.3.2011), the corporate income tax rate of legal entities in Greece is 20% and the withholding tax imposed on distributed profits is 25%. For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the fiscal years of 2011 and 2012 (Bulgaria: 10%, Romania: 16%, U.S.A.: 35%, Serbia: 10%, Ukraine: 21% for 2012 and 23% for 2011, Cyprus: 10%, Albania: 10% and United Kingdom: 24%).

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

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

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

The deferred tax for the period 1/1/2012 - 30/9/2012, is mainly due to the additional tax losses for this period, as well as to the recognition of income in the profit or loss account, arising from the additional deferred tax that related to the impairment of bonds in the context of PSI program, which had not been recognized in the financial statements as at 31/12/2011. The recognition of the deferred tax was based on the change in the tax law (extending the period in which relevant tax losses can be offset from 5 years to the duration of the new bonds) that took place in the first quarter of 2012, in combination with the best estimates of the Management for the future evolution of the Bank's tax results.

9 Earnings/ (Losses) per share

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

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

| Basic and diluted earnings/ (losses) per share from continuing operations | 1/1-30/9/2012 | 1/1-30/9/2011 | 1/7-30/9/2012 | 1/7-30/9/2011 |
|--|----------------------|----------------------|----------------------|----------------------|
| Net profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities | (628,879) | (1,176,901) | (273,736) | (354,576) |
| Weighted average number of ordinary shares in issue | 1,142,898,445 | 1,062,039,774 | 1,143,048,491 | 1,134,185,725 |
| Basic and diluted earnings/ (losses) per share (in euros) from continuing operations | (0.5502) | (1.1082) | (0.2395) | (0.3126) |

| Basic and diluted earnings/ (losses) per share from discontinued operations | 1/1-30/9/2012 | 1/1-30/9/2011 | 1/7-30/9/2012 | 1/7-30/9/2011 |
|--|----------------------|----------------------|----------------------|----------------------|
| Net profit/ (loss) attributable to ordinary shareholders of the parent entity from discontinued operations | 13,195 | 2,995 | 10,542 | 1,050 |
| Weighted average number of ordinary shares in issue | 1,142,898,445 | 1,062,039,774 | 1,143,048,491 | 1,134,185,725 |
| Basic and diluted earnings/ (losses) per share (in euros) from discontinued operations | 0.0115 | 0.0028 | 0.0092 | 0.0009 |

Earnings/ (losses) attributable to ordinary shareholders of the parent entity for the period 1/1-30/9/2011 and 1/7-30/9/2011 have been adjusted so as to be comparable with the current period's earnings/ (losses). Relevant note is 27.

10 Analysis of other comprehensive income

Continuing operations

| 1/1-30/9/2012 | Before-Tax amount | Tax | Net-of-Tax amount |
|--|--------------------------|-----------------|--------------------------|
| Net change in available for sale reserve | 211,248 | (41,601) | 169,647 |
| Change in currency translation reserve | (6,181) | - | (6,181) |
| Other comprehensive income from continuing operations | 205,067 | (41,601) | 163,466 |

| 1/1-30/9/2011 | Before-Tax amount | Tax | Net-of-Tax amount |
|--|--------------------------|-----------------|--------------------------|
| Net change in available for sale reserve | 95,213 | (25,980) | 69,233 |
| Change in currency translation reserve | (1,980) | - | (1,980) |
| Other comprehensive income from continuing operations | 93,233 | (25,980) | 67,253 |

Discontinued operations

| 1/1-30/9/2012 | Before-Tax amount | Tax | Net-of-Tax amount |
|--|--------------------------|------------|--------------------------|
| Net change in available for sale reserve | 4,340 | - | 4,340 |
| Change in currency translation reserve | 3,153 | - | 3,153 |
| Other comprehensive income from discontinued operations | 7,493 | 0 | 7,493 |

| 1/1-30/9/2011 | Before-Tax amount | Tax | Net-of-Tax amount |
|--|--------------------------|------------|--------------------------|
| Net change in available for sale reserve | (947) | 243 | (704) |
| Change in currency translation reserve | 257 | - | 257 |
| Other comprehensive income from discontinued operations | (690) | 243 | (447) |

11 Cash and balances with Central Banks

| | 30 September 2012 | 31 December 2011 |
|---|--------------------------|-------------------------|
| Cash in hand | 612,967 | 302,565 |
| Nostros and sight accounts with other banks | 1,283,221 | 733,887 |
| Balances with central bank | 235,949 | 930,324 |
| Cheques clearing system - Central Banks | 33,348 | 158,362 |
| Mandatory reserves with Central Banks | 376,082 | 427,580 |
| | 2,541,567 | 2,552,717 |

12 Financial assets at fair value through profit or loss

| | 30 September 2012 | 31 December 2011 |
|---|--------------------------|-------------------------|
| Trading securities | | |
| Greek government bonds | 2,959 | 107,367 |
| Foreign government bonds | 291,857 | 280,585 |
| Corporate bonds | 95 | 9,538 |
| Bank bonds | 56 | 56 |
| Greek government treasury bills | 14,693 | 8,144 |
| Foreign government treasury bills | - | 48,191 |
| Total | 309,660 | 453,882 |
| Athens stock exchange listed shares | 15,845 | 9,204 |
| Foreign stock exchanges listed shares | 6 | 5 |
| Mutual funds | 45 | 1,221 |
| Total | 15,896 | 10,431 |
| Total trading securities | 325,556 | 464,313 |
| Other financial instruments at fair value through profit or loss | 7,333 | 9,922 |

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

13 Loans and advances to customers and debt securities - receivables

| | 30 September 2012 | 31 December 2011 |
|--|----------------------|---------------------|
| Mortgages | 11,835,643 | 6,808,633 |
| Consumer/ personal and other loans | 3,800,502 | 3,172,900 |
| Credit cards | 961,789 | 750,929 |
| Loans to individuals | 16,597,934 | 10,732,463 |
| Loans to corporate entities | 29,980,844 | 26,325,555 |
| Total loans and advances to customers | 46,578,778 | 37,058,018 |
| Corporate debt securities - receivables | 4,718 | 4,834 |
| Bank debt securities - receivables | 23,846 | 23,178 |
| Greek government bonds debt securities - receivables | 1,417,039 | 3,098,629 |
| Foreign government bonds debt securities - receivables | 6,663,329 | 198,024 |
| Total Debt securities - receivables | 8,108,931 | 3,324,665 |
| Less: Allowance for impairment on loans and advances to customers and debt securities - receivables | (4,638,503) | (4,748,888) |
| Total loans and advances to customers and debt securities - receivables (net allowances for losses) | 50,049,206 | 35,633,795 |
| of which: | | |
| Loans and advances to customers (net of provisions) | 41,964,121 | 34,005,619 |
| Debt securities - receivables (net of provisions) | 8,085,086 | 1,628,176 |

The change in the value of Greek Government Bonds is mainly due to the completion of the revised private sector involvement program (PSI), for which reference is made in note 4, and due to acquisition of Greek Government Bonds under the transfer agreement of selected assets and liabilities of ex ATEbank.

Debt securities - receivables as at 30/9/2012 include Greek Government Bonds of nominal value € 1,457 million, which were issued according to the requirements of Law 3723/2008 "Enhancement of the Greek economy's liquidity". From these, debt securities with nominal value of € 782 million were transferred to Piraeus Bank in order to cover the issuance of Piraeus Bank's preference shares to the Greek State of amount € 370 million in 2009 and € 380 million in 2011. Additionally, debt securities with nominal value of € 675 million were acquired by Piraeus Bank under the transfer agreement of selected assets and liabilities of ex ATEbank. The book value of the above mentioned debt securities, which were excluded from the PSI, amounts to € 1,416 million as at 30/9/2012.

Foreign Government Bonds refer to EFSF Bonds which the Bank received under the transfer agreement of selected assets and liabilities of ex ATEbank.

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

| | Loans to individuals | Loans to corporate entities/ Public sector | Total |
|---|-------------------------|---|------------------|
| Opening balance at 1/1/2011 | 682,349 | 750,729 | 1,433,078 |
| Charge for the period | 201,444 | 1,345,860 | 1,547,303 |
| From continuing operations | 201,444 | 1,345,860 | 1,547,303 |
| From discontinued operations | - | - | 0 |
| Loans written-off | (78,248) | (184,164) | (262,413) |
| From continuing operations | (78,270) | (184,123) | (262,394) |
| From discontinued operations | 22 | (41) | (19) |
| Foreign exchange differences | 1,210 | 3,092 | 4,302 |
| From continuing operations | 1,215 | 3,163 | 4,378 |
| From discontinued operations | (5) | (71) | (76) |
| Closing balance for Egypt companies (discontinued operations for the year 2011) | (18,160) | (59,204) | (77,364) |
| Balance at 30/9/2011 | 788,594 | 1,856,312 | 2,644,906 |
| Opening balance at 1/10/2011 | 788,594 | 1,856,312 | 2,644,906 |
| Opening balance for discontinued operations (Egypt companies) | 18,160 | 59,204 | 77,364 |
| Charge for the period | 99,454 | 2,088,347 | 2,187,800 |
| From continuing operations | 99,454 | 2,088,806 | 2,188,259 |
| From discontinued operations | - | (459) | (459) |
| Loans written-off | (30,278) | (51,303) | (81,582) |
| From continuing operations | (30,253) | (51,344) | (81,597) |
| From discontinued operations | (26) | 41 | 15 |
| Foreign exchange differences | 1,198 | 7,267 | 8,464 |
| From continuing operations | 1,145 | 6,931 | 8,076 |
| From discontinued operations | 52 | 336 | 388 |
| Closing balance for Egypt companies (discontinued operations for the year 2011) | (17,872) | (70,193) | (88,065) |
| Balance at 31/12/2011 | 859,256 | 3,889,633 | 4,748,889 |
| Opening balance at 1/1/2012 | 859,256 | 3,889,633 | 4,748,889 |
| Opening balance for Egypt companies (discontinued operations for the year 2011) | 17,872 | 70,193 | 88,065 |
| Opening balance for discontinued operations | (547) | (6,603) | (7,150) |
| Balance of ATEbank and its subsidiaries at acquisition date | 137,546 | 669,734 | 807,280 |
| Charge for the period from continuing operations | 232,447 | 1,101,232 | 1,333,679 |
| Write offs and exchange of loans and debt securities - receivables from continuing operations | (53,558) | (2,259,561) | (2,313,119) |
| Foreign exchange differences and other movements from continuing operations | (3,123) | (16,017) | (19,140) |
| Balance at 30/9/2012 | 1,189,892 | 3,448,612 | 4,638,504 |

"Impairment losses on loans, debt securities and other receivables" in the Income Statement for the period 1/1-30/9/2012 includes an amount of € 36.6 million that relates to impairment losses on other receivables, an amount of € 14.7 million that relates to loans written-off directly in the income statement and an amount of € 14.2 million that relates to income from repossession of corporate loans collaterals.

14 Investment securities

| | 30 September 2012 | 31 December 2011 |
|--|----------------------|---------------------|
| Available for sale securities | | |
| Bonds and other fixed income securities | | |
| Greek government bonds | 398,898 | 154,756 |
| Foreign government bonds and EFSF bonds | 298,655 | 286,642 |
| Corporate entities bonds | 38,300 | 42,901 |
| Bank bonds | 386,787 | 9,398 |
| Greek government treasury bills | 2,857,495 | 1,909,471 |
| Foreign government treasury bills | 80,637 | 54,156 |
| Total | 4,060,772 | 2,457,324 |
| Shares and other variable income securities | | |
| Athens stock exchange listed shares | 183,288 | 29,177 |
| Foreign stock exchanges listed shares | 28,098 | 18,298 |
| Unlisted shares | 264,441 | 155,074 |
| Mutual funds | 64,144 | 85,193 |
| Other variable income securities | 25,917 | - |
| Total | 565,888 | 287,741 |
| Total available for sale securities | 4,626,661 | 2,745,065 |
| Held to maturity | | |
| Greek government bonds | 803,939 | 1,198,239 |
| Foreign government bonds | 70,080 | 50,043 |
| Corporate bonds | 7,932 | 1,567 |
| Total held to maturity | 881,952 | 1,249,849 |

The change in the value of Greek Government Bonds is mainly due to the completion of the revised private sector involvement program (PSI), for which reference is made in note 4, and due to acquisition of Greek Government Bonds under the transfer agreement of selected assets and liabilities of ex ATEbank. Furthermore, the increase in shares and bank bonds is due to the acquisition of shares and bank bonds of ex ATEbank under the transfer agreement of selected assets and liabilities.

15 Reclassification of financial assets

The Investment portfolio as at 30/9/2012 includes shares, mutual funds and bonds, which have been reclassified during the financial year 2008 from the "Trading securities" portfolio. Specifically, the "Available for sale securities" portfolio as at 30/9/2012 includes shares and mutual funds with fair value of € 16.7 million. The revaluation profit of € 2.5 million for 2012 has been recognized in the "Available for sale reserve". In 2012, due to the impairment of the above mentioned shares and mutual funds, a reserve of € 2.5 million was recycled in the Income Statement. Moreover, the "Available for sale securities" portfolio as at 30/9/2012 includes bonds with fair value of € 8.1 million. The revaluation loss of € 4.7 million for 2012 was recognized in the "Available for sale reserve".

"Debt securities – receivables" portfolio as at 30/9/2012 includes bonds with fair value of € 3.1 million (amortized cost of € 4.7 million) which have been reclassified from the "Available for sale securities" portfolio during the financial years 2008 and 2010. "Loans and advances to credit institutions" portfolio includes bank bonds with fair value of € 6.1 million (amortized cost € 5.9 million), which have been reclassified from the "Available for sale securities" portfolio during the financial year 2008. If these bonds had not been reclassified, a revaluation loss of € 0.6 million would have been recognized in the "Available for sale reserve" of 30/9/2012. No gains or losses from the sale of reclassified bonds have been recognized in the Income Statement for the period 1/1-30/9/2012.

During the period 1/1-30/9/2012, all reclassified Greek Government bonds were derecognized under the revised Private Sector Involvement program (PSI).

16 Investments in subsidiaries and associate companies

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

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

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

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

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

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

| s/n | Name of Company | Activity | % holding | Country | Unaudited tax years |
|------|---|--|-----------|------------------------|---------------------|
| 80. | Piraeus (Cyprus) Insurance Brokerage Ltd | Insurance brokerage | 100.00% | Cyprus | 2009-2011 |
| 81. | O.F. Investments Ltd | Investment company | 100.00% | Cyprus | 2010-2011 |
| 82. | DI.VI.PA.KA S.A. | Administrative and managerial body of the Kastoria industrial park | 57.53% | Greece | 2010-2011 |
| 83. | Piraeus Equity Partners Ltd. | Holding company | 100.00% | Cyprus | 2011 |
| 84. | Piraeus Equity Advisors Ltd. | Investment advise | 100.00% | Cyprus | 2009-2011 |
| 85. | Achaia Clauss Estate S.A. | Property management | 74.47% | Greece | 2010-2011 |
| 86. | Piraeus Equity Investment Management Ltd | Investment management | 100.00% | Cyprus | 2009-2011 |
| 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 | 2009-2011 |
| 90. | Piraeus Wealth Management (Switzerland) S.A. | Wealth management | 42.25% | Switzerland | - |
| 91. | Curdart Holding Ltd | Holding company | 100.00% | Cyprus | 2009-2011 |
| 92. | Piraeus Clean Energy LP | Renewable Energy Investment Fund | 100.00% | United Kingdom | 2010-2011 |
| 93. | Piraeus Clean Energy Holdings LTD | Holding Company | 100.00% | Cyprus | 2010-2011 |
| 94. | Visa Rent A Car A.E. | Rent A Car company | 94.98% | Greece | 2010-2011 |
| 95. | Adflikton Investments LTD | Property Management | 100.00% | Cyprus | 2009-2011 |
| 96. | Cospleon Investments LTD | Property Management | 100.00% | Cyprus | 2010-2011 |
| 97. | Cutsofiar Enterprises LTD | Property Management | 100.00% | Cyprus | 2010-2011 |
| 98. | Gravieron Company LTD | Property Management | 100.00% | Cyprus | 2008-2011 |
| 99. | Kaihur Investments LTD | Property Management | 100.00% | Cyprus | 2007-2011 |
| 100. | Pertanam Enterprises LTD | Property Management | 100.00% | Cyprus | 2007-2011 |
| 101. | Rockory Enterprises LTD | Property Management | 100.00% | Cyprus | 2010-2011 |
| 102. | Topuni Investments LTD | Property Management | 100.00% | Cyprus | 2007-2011 |
| 103. | Albalate Company LTD | Property Management | 100.00% | Cyprus | 2011 |
| 104. | Akimoria Enterprises LTD | Property Management | 100.00% | Cyprus | 2011 |
| 105. | Alarconarco Enterprises LTD | Property Management | 100.00% | Cyprus | 2011 |
| 106. | Kosmopolis A' Shopping Centers S.A. | Shopping Center's Management | 100.00% | Greece | 2010-2011 |
| 107. | Parking Kosmopolis S.A. | Parking Management | 100.00% | Cyprus | 2010-2011 |
| 108. | Zibeno Investments Ltd | Holding Company | 83.00% | Cyprus | 2011 |
| 109. | Bulfinace E.A.D. | Property Management | 100.00% | Bulgaria | 2008-2011 |
| 110. | Zibeno I Energy S.A. | Energy generation through renewable energy resources | 83.00% | Greece | - |
| 111. | Asset Management Bulgaria EOOD | Travel - rental services and property management | 100.00% | Bulgaria | - |
| 112. | Arigeo Energy Holdings Ltd | Holding Company in Renewable Energy | 100.00% | Cyprus | - |
| 113. | Exus Software Ltd | IT products Retailer | 50.10% | United Kingdom | - |
| 114. | Proiect Season Residence SRL | Real Estate Development | 100.00% | Romania | - |
| 115. | Piraeus Jeremie Technology Catalyst Management S.A. | Management of Venture Capital Fund | 100.00% | Greece | - |
| 116. | ATE Bank Romania S.A. | Banking activities | 93.27% | Romania | 2005-2011 |
| 117. | ABG Mutual Funds Management Company S.A. | Mutual funds management | 100.00% | Greece | 2010-2011 |

Companies numbered 29, 59, 69, και 71-75 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 42, 43 and 90 although presenting less than 50% holding percentage, are included in the Group's subsidiaries' portfolio due to existence of control.

Also, as at 30/9/2012 the companies numbered 28, 44, 45, 56 and 61 were under liquidation, though company 90 was under dissolution.

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

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

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

| s/n | Name of Company | Activity | % holding | Country | Unaudited tax years |
|-----|------------------------------|---|-----------|---------|---------------------|
| 21. | Piraeus - TANEQ Capital Fund | Venture capital fund | 50.01% | Greece | - |
| 22. | AIK Banka | Banking activities | 20.86% | Serbia | 2006-2011 |
| 23. | Teiresias S.A. | Inter banking company. Development, operation and management of information systems | 21.05% | Greece | 2008-2011 |

The company numbered 18 is included in the associate companies' portfolio, as Piraeus Bank Group owns 40.10% of the voting rights. The company numbered 12 is under liquidation as at 30/9/2012. The company numbered 21 is included in the associate companies' portfolio, due to the fact that Piraeus Bank Group exercises significant influence on the investment committee of the fund, which takes the investment decisions.

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

C) Subsidiaries from discontinued operations

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

| s/n | Name of Company | Activity | % holding | Country | Unaudited tax years |
|-----|----------------------------|-----------|-----------|---------|---------------------|
| 1. | ATE Insurance S.A. | Insurance | 100.00% | Greece | 2008-2011 |
| 2. | ATE Insurance Romania S.A. | Insurance | 99.47% | Romania | 2007-2011 |

17 Balance sheet - Discontinued operations

The assets and liabilities as at 30/9/2012 concern the companies ATE Insurance S.A and ATE Insurance Romania S.A., while assets and liabilities as at 31/12/2011 concern Piraeus Bank Egypt Group.

| | 30 September 2012 | 31 December 2011 |
|---|----------------------|---------------------|
| ASSETS | | |
| Cash and balances with Central Banks | 1,678 | 113,092 |
| Loans and advances to credit institutions | 476 | 203,351 |
| Trading securities | 3,209 | 2,339 |
| Loans and advances to customers and debt securities - receivables (net of provisions) | - | 670,047 |
| Available for sale securities | 104,699 | 77,371 |
| Held to maturity | 26,873 | 11,181 |
| Investments in associated undertakings | - | 1,406 |
| Intangible assets | 822 | 23,481 |
| Property, plant and equipment | 40,617 | 37,448 |
| Investment property | 23,801 | - |
| Assets held for sale | - | 1,091 |
| Deferred tax assets | 45,362 | - |
| Other assets | 296,817 | 16,409 |
| Total Assets | 544,355 | 1,157,214 |
| LIABILITIES | | |
| Due to credit institutions | - | 49,159 |
| Due to customers | - | 930,172 |
| Retirement benefit obligations | 4,888 | 5,805 |
| Other provisions | 576,945 | 1,486 |
| Current income tax liabilities | 15 | 799 |
| Deferred tax liabilities | 14 | 3 |
| Other liabilities | 43,100 | 19,917 |
| Total Liabilities | 624,962 | 1,007,341 |

18 Due to credit institutions

"Due to credit institutions" includes refinancing operations through repo transactions within the eurosystem amounting to € 32.9 billion (31/12/2011: € 22.3 billion). The increase of the raised liquidity of the Group from the eurosystem during the 9 month period of 2012, took place through the available refinancing operations with collaterals with the use of a) the advance of € 4.7 billion in the form of EFSF bonds that the Group received from HFSF and b) bonds of nominal value of € 6.5 billion given to the Group by the HFSF, in the context of the acquisition of former ATEbank S.A.

19 Due to customers

| | 30 September 2012 | 31 December 2011 |
|----------------------------|----------------------|---------------------|
| Current and sight deposits | 4,790,916 | 4,168,540 |
| Savings accounts | 9,695,498 | 2,866,294 |
| Term deposits | 18,344,493 | 14,382,454 |
| Other accounts | 283,453 | 187,810 |
| Repurchase agreements | 13,964 | 190,579 |
| | 33,128,324 | 21,795,677 |

The increase in "Due to customers" is mainly due to customer deposits acquired from former ATEbank S.A.

20 Debt securities in issue

| | 30 September 2012 | 31 December 2011 |
|---|----------------------|---------------------|
| ETBA bonds | 1,193 | 4,015 |
| Euro Medium Term Note | | |
| € 60 m. floating rate notes due 2015 | 60,000 | 60,000 |
| € 20 m. floating rate notes due 2012 | - | 19,996 |
| € 500 m. fixed rate notes due 2012 | - | 355,576 |
| € 50.3 m. fixed rate notes due 2012 | - | 38,228 |
| € 25.5 m. fixed rate notes due 2013 | 15,088 | 19,977 |
| Accrued interest and other expenses | 627 | 4,914 |
| | 75,715 | 498,691 |
| Securitisation of mortgage loans | | |
| € 750 m. floating rate notes due 2040 | 74,043 | 190,867 |
| € 1,250 m. floating rate notes due 2054 | 228,690 | 574,471 |
| | 302,733 | 765,338 |
| Total debt securities in issue | 379,640 | 1,268,045 |

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

Issuance under the Euro Medium Term Note program is undertaken through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank Group. Information concerning the new issues of debt securities during the period 1/1-30/9/2012, which have been retained by the Bank, are presented below:

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

Piraeus Bank, during the period 1/1/2012 – 30/9/2012, proceeded to the buy back of bonds of securitised loans of total nominal value € 375 million.

21 Hybrid capital and other borrowed funds

| | 30 September 2012 | 31 December 2011 |
|--|----------------------|---------------------|
| Hybrid capital (Tier I) | | |
| € 200 m. floating rate notes due 2034 | 66,784 | 158,636 |
| Accrued interest and other expenses | - | 965 |
| | 66,784 | 159,601 |
| Subordinated debt (Tier II) | | |
| € 400 m. floating rate notes due 2016 | 266,030 | 333,038 |
| Accrued interest and other expenses | 1,278 | 2,345 |
| | 267,308 | 335,383 |
| Other borrowed funds (USD) | - | 3,984 |
| Total hybrid capital and other borrowed funds | 334,092 | 498,968 |

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

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

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

22 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Group as at 30/9/2012 are not expected to have any significant impact on the Group's financial statements, according to the opinion of the legal affairs division of the Bank and its subsidiaries. The Group's provision for outstanding litigations amounts to € 3.4 million from continuing operations and € 2.2 million from discontinued operations.

B) Credit commitments

As at 30/9/2012 the Group had undertaken the following commitments:

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

| | 30 September 2012 | 31 December 2011 |
|------------------------------|----------------------|---------------------|
| Letters of guarantee | 2,759,386 | 2,571,736 |
| Letters of credit | 46,915 | 53,841 |
| Commitments to extent credit | 1,199,335 | 1,737,346 |
| | 4,005,636 | 4,362,923 |

C) Assets pledged

| | 30 September 2012 | 31 December 2011 |
|---|----------------------|---------------------|
| Loans and advances to credit institutions | 785,845 | - |
| Balances with central banks | 525 | 567 |
| Trading securities | 175,745 | 385,626 |
| Investment securities | 1,715,512 | 3,013,094 |
| Debt securities issued and held by the Group | 11,589,471 | 14,702,402 |
| Loans and advances to customers and debt securities - receivables | 17,228,701 | 12,485,612 |
| | 31,495,798 | 30,587,302 |

In the "Debt securities issued and held by the Group" category, an amount of € 10,002 million refers to securities that had been issued with the unconditional guarantee of the Hellenic Republic and an amount of € 337 million refers to securities issued under the securitization of mortgage loans and an amount of € 1,250 million refers to Bank's issuance of covered bonds. The prementioned securities are not included in assets.

D) Operating lease commitments

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

| | 30 September 2012 | 31 December 2011 |
|-------------------|----------------------|---------------------|
| Up to 1 year | 37,561 | 44,767 |
| From 1 to 5 years | 149,926 | 174,827 |
| More than 5 years | 260,638 | 329,636 |
| | 448,125 | 549,230 |

23 Share capital

| | Share Capital | Share Premium | Treasury Shares | Total |
|---|------------------|------------------|--------------------|------------------|
| Opening balance at 1st January 2011 | 470,882 | 2,430,877 | (8,790) | 2,892,969 |
| Increase of share capital through cash payment | 242,116 | 522,478 | - | 764,594 |
| Issue of preference shares | 380,000 | - | - | 380,000 |
| (Purchases)/ sales of treasury shares and preemption rights | - | - | 8,598 | 8,598 |
| Balance at 31 December 2011 | 1,092,998 | 2,953,356 | (192) | 4,046,161 |
| Opening balance at 1st January 2012 | 1,092,998 | 2,953,356 | (192) | 4,046,162 |
| (Purchases)/ sales of treasury shares | - | - | (144) | (144) |
| Balance at 30 September 2012 | 1,092,998 | 2,953,356 | (336) | 4,046,018 |

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

| | Number of shares | | |
|--|----------------------|--------------------|----------------------------|
| | Issued shares | Treasury shares | Net number of shares |
| Opening balance at 1st January 2011 | 413,840,653 | (2,624,173) | 411,216,480 |
| Issue of ordinary shares | 807,054,045 | - | 807,054,045 |
| Acquisition of treasury shares due to share capital increase | - | (3,872,743) | (3,872,743) |
| Purchases of treasury shares and preemption rights | - | (17,823,643) | (17,823,643) |
| Sales of treasury shares and preemption rights | - | 23,911,771 | 23,911,771 |
| Issue of preference shares | 1,266,666,666 | - | 1,266,666,666 |
| Balance at 31 December 2011 | 2,487,561,364 | (408,788) | 2,487,152,576 |
| Opening balance at 1st January 2012 | 2,487,561,364 | (408,788) | 2,487,152,576 |
| Purchases of treasury shares | - | (3,232,728) | (3,232,728) |
| Sales of treasury shares | - | 2,767,572 | 2,767,572 |
| Balance at 30 September 2012 | 2,487,561,364 | (873,944) | 2,486,687,420 |

On 30/9/2012 the Bank's share capital amounts to € 1,092,997,968.18, divided into 1,143,326,564 ordinary voting registered shares, each with a nominal value of € 0.30 and (a) 77,568,134 preferred non voting shares, each with a nominal value of € 4.77 and (b) 1,266,666,666 preferred non voting shares, each with a nominal value of € 0.30.

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

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

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

Treasury shares transactions are carried out by the Group subsidiary Piraeus Securities S.A. through its activities relating to its role as a market maker and by the newly acquired subsidiary ATE Insurance S.A. as part of its insurance investment.

24 Other reserves and retained earnings

| | 30 September 2012 | 31 December 2011 |
|---|------------------------------|-----------------------------|
| Legal reserve | 107,550 | 104,149 |
| Extraordinary reserve | 1,837 | 1,822 |
| Available for sale reserve | 97,386 | (67,924) |
| Currency translation reserve | (192,290) | (179,659) |
| Other reserves | 13,737 | 10,554 |
| Amounts recognized directly in equity relating to non-current assets from discontinued operations | <u>3,732</u> | <u>(14,529)</u> |
| Total other reserves | 31,951 | (145,587) |
| Retained earnings | <u>(6,598,081)</u> | <u>(5,975,642)</u> |
| Total other reserves and retained earnings | <u>(6,566,130)</u> | <u>(6,121,229)</u> |

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

| | 30 September 2012 | 31 December 2011 |
|---|------------------------------|-----------------------------|
| Other reserves movement | | |
| Opening balance for the period | (145,587) | (432,845) |
| Movement of available for sale reserve | 165,310 | 274,791 |
| Formation of legal reserve | 3,400 | 3,662 |
| Formation of other reserves | 3,637 | 18,934 |
| Absorbed companies reserve | (439) | - |
| Foreign exchange differences and other adjustments | (12,631) | 4,401 |
| Amounts recognized directly in equity relating to non-current assets from discontinued operations | <u>18,261</u> | <u>(14,529)</u> |
| Closing balance for the period | <u>31,951</u> | <u>(145,587)</u> |

| | 30 September 2012 | 31 December 2011 |
|---|------------------------------|-----------------------------|
| Available for sale reserve movement | | |
| Opening balance for the period | (67,923) | (342,714) |
| Opening balance for Egypt companies | (4,999) | 2,864 |
| Opening balance for discontinued operations (Marathon Banking Corporation) | 708 | - |
| Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills | 153,101 | (260,331) |
| Gains/ (losses) from the valuation of shares and mutual funds | 47,690 | (93,170) |
| Recycling to income statement of Greek Government bonds impairment | - | 428,125 |
| Recycling to income statement of shares and mutual funds impairment | 9,277 | 267,190 |
| Deferred income tax | (41,601) | (76,366) |
| Recycling of the accumulated fair value adjustment of disposed securities | 747 | (82) |
| Depreciation of accumulated impairment of transferred bonds | - | 6,741 |
| Foreign exchange differences and other movements | <u>386</u> | <u>(180)</u> |
| Closing balance for the period | <u>97,386</u> | <u>(67,923)</u> |

| | 30 September 2012 | 31 December 2011 |
|---|------------------------------|-----------------------------|
| Retained earnings movement | | |
| Opening balance for the period | (5,975,641) | 672,687 |
| Profit/ (loss) after tax attributable to the owners of the parent entity | (615,684) | (6,613,379) |
| Profit/ (loss) from sales of treasury shares | 167 | (7,534) |
| Share capital increase expenses | (23) | (4,180) |
| Transfer between other reserves and retained earnings | (7,037) | (22,596) |
| Acquisitions, disposals, absorption, liquidation and movement in participating interest | 137 | (454) |
| Other movements | <u>-</u> | <u>(185)</u> |
| Closing balance for the period | <u>(6,598,081)</u> | <u>(5,975,641)</u> |

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

25 Related parties transactions

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

| | Board of Directors members and key management personnel | |
|----------|--|-------------------------|
| | 30 September 2012 | 31 December 2011 |
| Loans | 87,646 | 130,510 |
| Deposits | 16,503 | 27,692 |

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/9/2012 are € 1.3 million (31/12/2011: € 1.2 million). The total income that relates to members of the Board of Directors and to key management personnel for the period 1/1-30/9/2012 is € 2 million (1/1-30/9/2011: € 3.7 million). The total expense that relates to the prementioned related parties for the period is € 0.7 million (1/1-30/9/2011: € 0.9 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 | 1/1-30/9/2012 | 1/1-30/9/2011 |
|---|----------------------|----------------------|
| Wages, salaries, employer's share of social contributions and charges | 3,398 | 3,563 |
| Provisions and payments for compensation and retirement programs | 1,866 | 4,138 |
| | 5,264 | 7,701 |

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel amount to € 24.9 million from € 23.9 million as at 31/12/2011. The full amount of the above provisions has been included in the retirement benefit obligations.

| | Associates | |
|--------------------------------|--------------------------|-------------------------|
| | 30 September 2012 | 31 December 2011 |
| Deposits and other liabilities | 35,846 | 47,246 |
| Loans and other receivables | 184,917 | 100,655 |
| | 1/1-30/9/2012 | 1/1-30/9/2011 |
| Total expense | (15,381) | (1,400) |
| Total income | 7,701 | 2,495 |

26 Changes in the portfolio of subsidiaries and associates

In the period from 1/1/2012 to 30/9/2012, the following changes took place in the Group's portfolio of direct and indirect subsidiaries, associates and companies held for sale.

a) Acquisition of assets and liabilities of ATEbank:

On 27/7/2012, Piraeus Bank acquired assets and liabilities of former ATEbank S.A. for a consideration of € 95 million. In the context of this acquisition, Piraeus Bank acquired ABG Mutual Funds Management Company S.A. (percentage 100%), ATE Bank Romania S.A. (percentage 93.27%), ATE Insurance S.A. (percentage 100%) and ATE Insurance Romania S.A. (subsidiary of ATE Insurance S.A. with a percentage of 99.47%) which are subsidiaries of the Group. Also, through the above mentioned acquisition, Piraeus Bank acquired a percentage of 20.86% of the associate company AIK BANKA, whereas the percentage of the Bank in the company Teiresias S.A. increased from 7.84% to 21.05% resulting to the transfer of the company from the available for sale portfolio to the associate companies portfolio. It is noted that the approval from the Central Bank of Serbia, namely to the acquisition of AIK BANKA, is still pending.

The fair values of the acquired assets and liabilities are provisional and as a result the initial accounting of the acquisition is incomplete (provisional accounting). The valuation at fair value of the acquired assets and liabilities, according to Law 3601/ 2007 (article 63D, par. 4) as it is in force, has been assigned by the Bank of Greece to an auditors company and is expected to be completed within one year from the acquisition date (measurement period), according to the requirements of IFRS 3. Following the completion of the valuation, the values of the assets and liabilities will be adjusted retrospectively from the acquisition date, according to the requirements of IFRS 3.

The provisional fair values of assets and liabilities acquired from former ATEbank S.A., are as follows:

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

| Assets | Former Atebank S.A. |
|---|--------------------------------|
| Loans and advances to credit institutions | 336,417 |
| Loans and advances to customers and debt securities - receivables (net of provisions) | 10,814,145 |
| Available for sale securities | 1,114,396 |
| Other Assets | <u>1,683,365</u> |
| Total Assets | <u>13,948,324</u> |
| | |
| Liabilities | |
| Due to credit institutions | 6,496,761 |
| Due to customers | 14,871,129 |
| Other liabilities | <u>91,025</u> |
| Total liabilities | <u>21,458,915</u> |
| | |
| Shareholders equity | <u>-</u> |
| Total liabilities and shareholders equity | <u>21,458,915</u> |
| | |
| Cost of acquisition | 95,000 |
| Percentage of net assets acquired | 100% |
| Goodwill | 95,000 |

In the context of the above mentioned acquisition and according to the Government Gazette number 2209 dated 27/7/2012, the HFSF gave to the Bank bonds of amount € 6.53 billion and cash of amount € 145 million in order to cover the gap between the provisional values of the transferred assets and liabilities. Following the completion of the valuation of transferred assets and liabilities, any deviation from the initially estimated gap will be finalised and settled.

It shall be noted that the subsidiaries ATE Insurance S.A. and ATE Insurance Romania S.A. have been included in the Held for Sale portfolio as at the acquisition date, as the requirements of IFRS 5 are fulfilled. As a result, these subsidiaries are presented, in the consolidated interim condensed financial information, in discontinued operations.

b) Increases of participation - Disposals:

On 22/2/2012, Piraeus Bank S.A. increased its participation in Marathon Banking Corporation through the purchase of 140 shares with the amount of € 111.4 thousand, increasing its shareholding percentage from 98.43% to 98.54%. On 5/7/2012, Piraeus Bank S.A. increased its participation in Marathon Banking Corporation through the purchase of 330 shares with the amount of € 281.76 thousand, increasing its shareholding percentage from 98.54% to 98.80%. The sale of Marathon Banking Corporation, a subsidiary of the Bank by 98.8%, was recognized in the 3rd quarter of 2012 as the required approvals by the US supervising authorities were obtained on 27/9/2012. The details of assets and liabilities disposed are as follows:

| | |
|--|------------------------|
| Cash and cash equivalents | 186,696 |
| Loans and advances to credit institutions | 2,350 |
| Loans and advances to customers (net of provisions) | 426,950 |
| Investment securities | 35,595 |
| Goodwill and other intangible assets | 15,681 |
| Property, plant and equipment | 5,394 |
| Other assets | 17,511 |
| Due to customers | (597,527) |
| Other liabilities | <u>(5,597)</u> |
| Total Equity | <u>87,051</u> |
| | |
| Proceeds from the sale of Marathon Banking Corporation | 102,269 |
| Less: Cash and cash equivalents of the subsidiary sold | <u>(186,696)</u> |
| Net cash inflow/ (outflow) on sale | <u>(84,427)</u> |

On 28/6/2012, ETVA Industrial Parks S.A., 65% subsidiary of Piraeus Bank S.A., purchased from its 51% subsidiary Good Works Energy Photovoltaics S.A. the 99.99% of Orion Energy Photovoltaics S.A. and Astraios Energy Photovoltaics S.A. shareholding percentage, with the amount of €29.92 thousand and €29.45 thousand respectively. As a result, ETVA Industrial Parks S.A. participates with 100% to Orion Energy Photovoltaics S.A. and Astraios Energy Photovoltaics S.A. It is noted that the Group participates in the above companies with a shareholding percentage of 65%.

c) Acquisitions-Establishments:

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

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

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

On 12/7/2012, Piraeus Bank S.A. covered its shareholding ratio of its 50.10% established subsidiary Exus Software LTD, with the amount of GBP 501.

On 8/8/2012, Piraeus Equity Partners LTD, 100% Group's subsidiary, acquired the 100% of Piraeus Jeremie Technology Catalyst Management S.A. with the amount of € 62 thousand.

On 7/9/2012, Piraeus Leasing Romania SRL, 100% subsidiary of Piraeus Bank S.A., established its 100% subsidiary Proiect Season Residence SRL, covering the entire Share Capital with the amount of RON 200.

d) Participation in share capital increases/ decreases:

Piraeus - TANE0 Capital Fund, an associate of Piraeus Bank S.A. by 50.01%, increased its assets with the amount of € 187.5 thousand. Therefore, on 26/3/2012, Piraeus Bank S.A. covered its participation with the amount of € 93.77 thousand without altering its shareholding percentage.

On 5/4/2012, the next share capital instalment of amount € 1.50 million took place regarding Piraeus - TANE0 Capital fund. Piraeus Bank S.A. covered its shareholding ratio with the amount of € 0.75 million without altering its shareholding percentage.

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

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

On 10/5/2012, Piraeus Bank Beograd A.D., 100% subsidiary of Piraeus Bank S.A., fully covered the share capital increase of Piraeus Leasing DOO Beograd, 100% Group's subsidiary, with the amount of € 0.67 million, Therefore, Piraeus Bank Beograd A.D., increased its direct shareholding percentage to 49%, without altering Group's shareholding percentage (100%).

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

On 17/7/2012, Piraeus Equity Partners LTD, 100% subsidiary of Piraeus Bank S.A., fully covered the share capital increase of its 100% subsidiary Piraeus FI Holdings LTD, with the amount of € 2.02 million, without altering its shareholding percentage.

On 18/7/2012, Piraeus Clean Energy LP, 100% Group's subsidiary, fully covered the share capital increase of its 100% subsidiary Piraeus Clean Energy Holdings LTD with the amount of € 2.02 million, without altering its shareholding percentage.

Piraeus FI Holdings LTD, 100% Group's subsidiary, fully covered the share capital increase of its 100% subsidiary Piraeus Clean Energy LP, with the amount of € 2.02 million, without altering its shareholding percentage.

On 26/7/2012, Piraeus Clean Energy Holdings LTD, 100% Group's subsidiary, fully covered the share capital increase of its 100% subsidiary Arigeo Energy Holdings LTD with the amount of € 2.02 million, without altering its shareholding percentage.

e) Liquidations:

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

f) Further Changes - Transfers:

On 2/7/2012, Piraeus Leasing Bulgaria EAD, 100% Group's subsidiary, absorbed Piraeus Best Leasing Bulgaria EAD and Piraeus Auto Leasing S.A., 100% Group's subsidiaries. As a result, Group's shareholding percentage of Piraeus Leasing Bulgaria EAD remained at 100%.

On 28/9/2012, Piraeus Bank S.A. absorbed its 100% subsidiary, Piraeus Cards S.A.

27 Restatement of comparatives

The restatement in Consolidated Interim Income Statement of the comparative period 1/1-30/9/2011 and 1/7-30/9/2011 and Consolidated Interim Cash Flow Statement of the comparative period 1/1-30/9/2011 is due to the presentation of Marathon Banking Corporation in "Discontinued operations" and the transfer of Piraeus Bank Egypt Group from "Discontinued operations" to "Continuing operations".

Moreover, a loss of € 32,538 thousand (1/7-30/9/2011: € 32,000 thousand) was reclassified from "Results from investment securities" and an amount of € 379,143 thousand (1/7-30/9/2011: € 75,473 thousand) from "Impairment losses on loans, receivables and Greek government bonds" to "Impairment on investment securities" and also an amount of € 842 thousand (1/7-30/9/2011: € 277 thousand) from "Impairment losses on loans, receivables and Greek government bonds" to "Other provisions and impairment". Concerning discontinued operations an amount of € 21 thousand (1/7-30/9/2011: € 0) was reclassified from "Results from investment securities" to "Impairment on investment securities".

The restatements of the period 1/1-30/9/2011 and 1/7-30/9/2011 are presented below.

Consolidated income statement

| | From 1 January to 30 September 2011 | | | |
|--|-------------------------------------|-----------------|-------------------|---------------------|
| | Published Amounts | Restatements | Reclassifications | Restated Amounts |
| Interest and similar income | 2,128,917 | 40,129 | - | 2,169,046 |
| Interest expense and similar charges | (1,212,514) | (40,367) | - | (1,252,882) |
| Net interest income | 916,402 | (239) | 0 | 916,164 |
| Fee and commission income | 166,279 | 5,964 | - | 172,243 |
| Fee and commission expense | (25,623) | (863) | - | (26,486) |
| Net fee and commission income | 140,656 | 5,101 | 0 | 145,757 |
| Dividend income | 3,280 | 60 | - | 3,340 |
| Net trading income | 135,411 | 992 | - | 136,403 |
| Net income from financial instruments designated at fair value through profit or loss | (3,252) | - | - | (3,252) |
| Results from investment securities | (31,294) | 5 | 32,558 | 1,270 |
| Other operating income/ (expense) | 40,755 | (41) | - | 40,713 |
| Total net income | 1,201,958 | 5,879 | 32,558 | 1,240,396 |
| Staff costs | (273,896) | (8,790) | - | (282,687) |
| Administrative expenses | (237,151) | (892) | - | (238,043) |
| Depreciation and amortization | (64,367) | (6,436) | - | (70,803) |
| Gains/ (losses) from sale of assets | (888) | 213 | - | (674) |
| Total operating expenses before provisions | (576,302) | (15,905) | 0 | (592,207) |
| Impairment losses on loans, debt securities and other receivables | (1,987,664) | (9,058) | 379,985 | (1,616,737) |
| Impairment on investment securities | - | - | (411,702) | (411,702) |
| Other provisions and impairment | (1,404) | (3,887) | (842) | (6,133) |
| Share of profit of associates | (17,501) | 5 | - | (17,496) |
| Profit/ (loss) before income tax | (1,380,913) | (22,966) | 0 | (1,403,880) |
| Income tax | 220,879 | (1,949) | - | 218,930 |
| Profit/ (loss) after income tax | (1,160,035) | (24,916) | 0 | (1,184,950) |
| Profit/ (loss) after income tax from discontinued operations | (21,845) | 24,916 | - | 3,071 |
| PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD | (1,181,879) | 0 | 0 | (1,181,879) |
| From continuing operations | | | | |
| Profit/ (loss) for the period attributable to equity holders of the parent entity | (1,152,509) | (24,393) | - | (1,176,901) |
| Non controlling interest | (7,526) | (523) | - | (8,049) |
| From discontinued operations | | | | |
| Profit/ (loss) for the period attributable to equity holders of the parent entity | (21,398) | 24,393 | - | 2,995 |
| Non controlling interest | (446) | 523 | - | 76 |
| From continuing operations | | | | |
| Earnings/ (losses) per share attributable to equity holders of the parent entity: | | | | |
| - Basic and Diluted | (1.0852) | (0.0230) | - | (1.1082) |
| From discontinued operations | | | | |
| Earnings/ (losses) per share attributable to equity holders of the parent entity: | | | | |
| - Basic and Diluted | (0.0201) | 0.0230 | - | 0.0028 |

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

Consolidated income statement

From 1 July to 30 September 2011

| | Published Amounts | Restatements | Reclassifications | Restated Amounts |
|--|----------------------|----------------|-------------------|---------------------|
| Interest and similar income | 750,213 | 12,430 | - | 762,643 |
| Interest expense and similar charges | (451,478) | (12,708) | - | (464,186) |
| Net interest income | 298,735 | (278) | 0 | 298,457 |
| Fee and commission income | 53,866 | 1,926 | - | 55,792 |
| Fee and commission expense | (8,652) | (407) | - | (9,059) |
| Net fee and commission income | 45,214 | 1,518 | 0 | 46,732 |
| Dividend income | 273 | (19) | - | 255 |
| Net trading income | 108,793 | 501 | - | 109,294 |
| Net income from financial instruments designated at fair value through profit or loss | (898) | - | - | (898) |
| Results from investment securities | (30,831) | - | 32,000 | 1,169 |
| Other operating income/ (expense) | 15,079 | (100) | - | 14,979 |
| Total net income | 436,366 | 1,621 | 32,000 | 469,987 |
| Staff costs | (88,426) | (3,063) | - | (91,489) |
| Administrative expenses | (82,976) | 255 | - | (82,721) |
| Depreciation and amortization | (22,438) | (1,757) | - | (24,195) |
| Gains/ (losses) from sale of assets | 956 | (11) | - | 944 |
| Total operating expenses before provisions | (192,884) | (4,576) | 0 | (197,460) |
| Impairment losses on loans, debt securities and other receivables | (620,956) | (1,879) | 75,750 | (547,085) |
| Impairment on investment securities | - | - | (107,473) | (107,473) |
| Other provisions and impairment | (101) | (2,888) | (277) | (3,266) |
| Share of profit of associates | (11,691) | 9 | - | (11,682) |
| Profit/ (loss) before income tax | (389,267) | (7,713) | 0 | (396,979) |
| Income tax | 44,021 | (1,851) | - | 42,170 |
| Profit/ (loss) after income tax | (345,245) | (9,564) | 0 | (354,809) |
| Profit/ (loss) after income tax from discontinued operations | (8,497) | 9,564 | - | 1,067 |
| PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD | (353,742) | 0 | 0 | (353,742) |
| From continuing operations | | | | |
| Profit/ (loss) for the period attributable to equity holders of the parent entity | (345,197) | (9,380) | - | (354,576) |
| Non controlling interest | (49) | (184) | - | (232) |
| From discontinued operations | | | | |
| Profit/ (loss) for the period attributable to equity holders of the parent entity | (8,330) | 9,380 | - | 1,050 |
| Non controlling interest | (167) | 184 | - | 17 |
| From continuing operations | | | | |
| Earnings/ (losses) per share attributable to equity holders of the parent entity: | | | | |
| - Basic and Diluted | (0.3044) | (0.0083) | - | (0.3126) |
| From discontinued operations | | | | |
| Earnings/ (losses) per share attributable to equity holders of the parent entity: | | | | |
| - Basic and Diluted | (0.0073) | 0.0083 | - | 0.0009 |

Consolidated cash flow statement

1/1-30/9/2011

| | Published Amounts | Restatements | Restated Amounts |
|---|----------------------|------------------|---------------------|
| Net cash inflow/ (outflow) from operating activities | 1,777,752 | (396,898) | 1,380,854 |
| Net cash inflow/ (outflow) from investing activities | (1,187,742) | (58,026) | (1,245,768) |
| Net cash inflow/ (outflow) from financing activities | (105,531) | 33 | (105,498) |
| Total cash inflows/ (outflows) for the period | 484,479 | (454,890) | 29,589 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 13,572 | (802) | 12,770 |
| Net increase/ (decrease) in cash and cash equivalents of the period from continuing operations (A) | 498,051 | (455,692) | 42,359 |
| Net increase/ (decrease) in cash and cash equivalents of the period from discontinued operations (B) | (467,038) | 455,692 | (11,346) |
| Cash and cash equivalents at the beginning of the period (C) | 4,034,929 | 0 | 4,034,929 |
| Cash and cash equivalents at the end of the period (A)+(B)+(C) | 4,065,943 | 0 | 4,065,943 |

28 Events subsequent to the end of the interim period

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

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

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

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

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

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

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

Piraeus Bank, following the December 7th 2012 decision of the Board of Directors of the Bank, participated in the buy back program of the Hellenic Government bonds, in order to reduce Greek Government's debt, with the total (100%) of the eligible bonds that the Bank owned, in response to the relevant invitation of the Hellenic Ministry of Finance dated 3/12/2012. In this context, bonds that were classified as at 30/9/2012 in the available for sale portfolio (of nominal value €1.7 bn approximately) and in the held to maturity portfolio (of nominal value €2.6 bn approximately), of a carrying value at the exchange date of €1.7 bn approximately, were exchanged with EFSF bonds, with a benefit in the after tax results and equity of €0.3 bn approximately.

Athens, December 19th, 2012

CHAIRMAN
OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR
& C.E.O.

CHIEF FINANCIAL
OFFICER

ASSISTANT
GENERAL MANAGER

MICHALIS G. SALLAS

STAVROS M. LEKKAKOS

GEORGE I. POULOPOULOS

KONSTANTINOS S. PASCHALIS