



PIRAEUS BANK S.A.

**Interim Condensed Financial
Information**

30 September 2012

**According to the International
Financial Reporting Standards**

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

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

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INTERIM INCOME STATEMENT

	Note	Period from 1 January to		Period from 1 July to	
		30 September 2012	30 September 2011	30 September 2012	30 September 2011
Interest and similar income		1,667,762	1,743,546	639,827	613,101
Interest expense and similar charges		<u>(1,210,575)</u>	<u>(1,132,435)</u>	<u>(417,556)</u>	<u>(416,780)</u>
NET INTEREST INCOME		457,187	611,112	222,271	196,321
Fee and commission income		100,774	98,122	40,507	31,801
Fee and commission expense		<u>(14,920)</u>	<u>(21,060)</u>	<u>(5,035)</u>	<u>(6,579)</u>
NET FEE AND COMMISSION INCOME		85,854	77,062	35,472	25,222
Dividend income		7,033	4,831	3,594	174
Net trading income	6	206,258	123,723	1,635	78,674
Net income from financial instruments designated at fair value through profit or loss		2,803	(3,476)	411	(902)
Results from investment securities		33,212	851	34,028	395
Other operating income/ (expense)		<u>8,151</u>	<u>5,232</u>	<u>5,521</u>	<u>(1,929)</u>
TOTAL NET INCOME		800,499	819,335	302,931	297,956
Staff costs		(166,721)	(165,460)	(71,331)	(53,165)
Administrative expenses		(156,504)	(159,966)	(60,751)	(57,381)
Depreciation and amortisation		(38,794)	(28,876)	(13,833)	(10,979)
Gains/ (Losses) from sale of assets		<u>(447)</u>	<u>(11)</u>	<u>(344)</u>	<u>957</u>
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(362,466)	(354,313)	(146,259)	(120,568)
PROFIT BEFORE PROVISIONS AND INCOME TAX		438,032	465,022	156,672	177,387
Impairment losses on loans, debt securities and other receivables	12	(1,151,051)	(1,437,634)	(484,278)	(502,188)
Impairment on investment securities		<u>(433,078)</u>	<u>(406,560)</u>	<u>(428)</u>	<u>(102,850)</u>
PROFIT/ (LOSS) BEFORE INCOME TAX		(1,146,097)	(1,379,172)	(328,033)	(427,651)
Income tax	7	<u>623,239</u>	<u>227,183</u>	<u>91,742</u>	<u>52,012</u>
PROFIT/ (LOSS) AFTER TAX		(522,858)	(1,151,988)	(236,291)	(375,639)
Earnings/ (Losses) per share (in euros):					
- Basic and Diluted	8	(0.4573)	(1.0782)	(0.2067)	(0.3285)

INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 September 2012	31 December 2011
ASSETS			
Cash and balances with the Central Bank	10	1,519,886	1,572,849
Loans and advances to credit institutions		2,834,101	3,065,200
Derivative financial instruments - assets		408,484	375,069
Trading securities	11	59,927	125,106
Financial instruments at fair value through profit or loss	11	7,333	9,922
Reverse repos with customers		1,519	57,127
Loans and advances to customers and debt securities - receivables (net of provisions)	12	44,550,657	29,897,655
Investment securities			
- Available for sale securities	13	4,256,270	2,381,550
- Held to maturity	13	794,093	1,198,239
Investments in subsidiaries		2,002,046	1,909,309
Investments in associated undertakings		284,930	228,418
Intangible assets		240,238	133,999
Property, plant and equipment		568,717	314,133
Investment property		376,568	201,767
Assets held for sale		-	172,992
Deferred tax assets		1,714,615	1,132,455
Inventories property		143,526	128,998
Other assets		2,578,597	935,517
TOTAL ASSETS		62,341,508	43,840,306
LIABILITIES			
Due to credit institutions	16	33,587,297	25,023,614
Liabilities at fair value through profit or loss		868	18,475
Derivative financial instruments - liabilities		394,497	381,321
Due to customers	17	29,410,317	18,334,429
Debt securities in issue	18	379,640	1,266,788
Hybrid capital and other borrowed funds	19	334,092	494,984
Retirement benefit obligations		140,781	139,060
Other provisions		232	10,665
Current income tax liabilities		8,346	4,080
Other liabilities		497,435	225,572
TOTAL LIABILITIES		64,753,505	45,898,988
EQUITY			
Share capital	21	1,092,998	1,092,998
Share premium	21	2,953,356	2,953,356
Other reserves	22	170,591	1,603
Retained earnings	22	(6,628,941)	(6,106,639)
TOTAL EQUITY		(2,411,996)	(2,058,682)
TOTAL LIABILITIES AND EQUITY		62,341,508	43,840,306

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Period from 1 January to		Period from 1 April to	
		30 September 2012	30 September 2011	30 September 2012	30 September 2011
Profit/ (losses) after tax for the period (A)		(522,858)	(1,151,988)	(236,291)	(375,639)
Other comprehensive income, net of tax:					
Net change in available for sale reserve	9, 22	168,542	71,074	129,812	(18,619)
Other comprehensive income, net of tax (B)	9, 22	168,542	71,074	129,812	(18,619)
Total comprehensive income, net of tax (A+B)		(354,316)	(1,080,914)	(106,479)	(394,258)

INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings	TOTAL
Opening balance as at 1st January 2011		470,882	2,430,877	0	(271,164)	326,384	2,956,979
Other comprehensive income, net of tax	9, 22				71,074		71,074
Results after tax for the period 1/1/2011 - 30/9/2011	22					(1,151,988)	(1,151,988)
Total recognised income for the period 1/1/2011 - 30/9/2011		0	0	0	71,074	(1,151,988)	(1,080,914)
Increase of share capital through cash payment	21	242,116	522,478				764,594
Balance as at 30th September 2011		712,998	2,953,355	0	(200,090)	(825,604)	2,640,659
Opening balance as at 1st October 2011		712,998	2,953,355	0	(200,090)	(825,604)	2,640,659
Other comprehensive income, net of tax	22				201,693		201,693
Results after tax for the period 1/10/2011 - 31/12/2011	22					(5,276,855)	(5,276,855)
Total recognised income for the period 1/10/2011 - 31/12/2011		0	0	0	201,693	(5,276,855)	(5,075,162)
Issue of preference shares	21, 22	380,000				(4,180)	375,820
Balance as at 31st December 2011		1,092,998	2,953,356	0	1,603	(6,106,639)	(2,058,682)
Opening balance as at 1st January 2012		1,092,998	2,953,356	0	1,603	(6,106,639)	(2,058,682)
Other comprehensive income, net of tax	9, 22				168,542		168,542
Results after tax for the period 1/1/2012 - 30/9/2012	22					(522,858)	(522,858)
Total recognised income for the period 1/1/2012 - 30/9/2012		0	0	0	168,542	(522,858)	(354,316)
Expenses on issue of preference shares	22					(23)	(23)
Absorption of company					446	579	1,025
Balance as at 30th September 2012		1,092,998	2,953,356	0	170,591	(6,628,941)	(2,411,996)

INTERIM CASH FLOW STATEMENT

	Period from 1 January to	
	30 September 2012	30 September 2011
<i>Cash flows from operating activities</i>		
Profit / (loss) before tax	(1,146,097)	(1,379,172)
Adjustments to profit/ (loss) before tax:		
Add: provisions and impairment	1,569,898	1,844,194
Add: depreciation and amortisation charge	38,794	28,876
Add: retirement benefits	10,869	21,457
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss	112,996	(81,056)
(Gains)/ losses from investing activities	(306,123)	(7,506)
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>	280,338	426,793
<i>Changes in operating assets and liabilities:</i>		
Net (increase)/ decrease in cash and balances with Central Bank	6,013	(20,423)
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss	(99,830)	67,800
Net (increase)/ decrease in loans and advances to credit Institutions	254,977	331,332
Net (increase)/ decrease in loans and advances to customers	922,370	404,231
Net (increase)/ decrease in debt securities - receivables	(6,647)	(193,184)
Net (increase)/ decrease in reverse repos with customers	55,609	303,093
Net (increase)/ decrease in other assets	(365,156)	(236,527)
Net increase/ (decrease) in amounts due to credit institutions	2,066,923	4,507,362
Net increase/ (decrease) in liabilities at fair value through profit or loss	(17,607)	10,769
Net increase/ (decrease) in amounts due to customers	(3,795,241)	(3,774,049)
Net increase/ (decrease) in other liabilities	122,029	(110,797)
<i>Net cash flow from operating activities before income tax payment</i>	(576,222)	1,716,401
Income tax paid (including tax contribution)	(1,164)	(41,898)
Net cash inflow/ (outflow) from operating activities	(577,386)	1,674,503
<i>Cash flows from investing activities</i>		
Purchases of property, plant and equipment	(21,800)	(49,750)
Sales of property, plant and equipment	566	929
Purchases of intangible assets	(111,935)	(10,672)
Purchases of assets held for sale	-	(1,114)
Purchases of investment securities	(5,197,123)	(1,976,072)
Disposals/ maturity of investment securities	5,521,887	1,113,702
Acquisition of subsidiaries and participation in share capital increases	(46,934)	(76,648)
Disposals of subsidiaries	102,269	142
Acquisition of associates and participation in share capital increases	(844)	(41,419)
Dividends receipts from associates	2,271	2,188
Dividends receipts from available for sale securities	4,718	2,517
Net cash inflow/ (outflow) from investing activities	253,075	(1,036,198)
<i>Cash flows from financing activities</i>		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(781,739)	(891,788)
Increase of share capital through cash payment	-	753,980
Other cashflows from financing activities	11,054	-
Net cash inflow/ (outflow) from financing activities	(770,685)	(137,808)
Effect of exchange rate changes on cash and cash equivalents	(3,883)	8,542
Net increase/ (decrease) in cash and cash equivalents of the period	(1,098,879)	509,039
Cash and cash equivalents at the beginning of the period	1,841,271	2,886,063
Cash and cash equivalents at the acquisition date of ATEbank	1,072,924	-
Cash and cash equivalents at the end of the period	1,815,316	3,395,102

1. General information about the Bank

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

Piraeus Bank is incorporated and domiciled in Greece. The address of the registered office is 4 Amerikis st., Athens. Piraeus Bank operates in Greece and in London (U.K.). The Bank employs 9,689 people.

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

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

a. General accounting policies

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

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

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

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

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

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

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

b.1. Impairment losses on loans and advances

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

b.2. Fair value of derivative financial instruments

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

b.3. Impairment of available for sale portfolio

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

b.4. Held to maturity investments

The Bank follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgement. In making this judgement, the Bank evaluates its intention and ability to hold such investments to maturity. In case that the Bank sells a significant amount of the held to maturity

investments, then it will be required to reclassify the entire class to the available for sale portfolio. The investments would therefore be remeasured at fair value.

b.5. Investment property

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

b.6. Income taxes

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

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

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

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

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

The Bank has incurred substantial impairment losses as a result of the Hellenic Republic's debt restructuring ("PSI"). Such losses had a respective impact on the accounting and regulatory capital of the Bank as at 30 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 Bank will continue in operational existence for the foreseeable future. Accordingly, the interim condensed financial information has been prepared on a going concern basis.

4. Private sector involvement programme (PSI)

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

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

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

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

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

5 Business segments

Piraeus Bank has defined the following business segments:

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

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

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

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

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

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

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

	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
1/1 -30/9/2012						
Net interest income	453,786	202,749	1	(12,018)	(187,331)	457,187
Net fee and commission income	61,118	15,925	1,249	(878)	8,440	85,854
Net income	530,277	220,361	1,239	(105,914)	154,535	800,499
Segment results	(698,552)	643	(316)	(447,872)	-	<u>(1,146,097)</u>
Results before tax						(1,146,097)
Income tax						<u>623,239</u>
Results after tax						(522,858)
Other segment items						
Capital expenditure	9,430	117	-	1,601	122,587	133,734
Depreciation and amortisation	8,635	(296)	1	349	30,105	38,794
Provisions and impairments	946,578	190,627	-	320,695	126,229	1,584,129
1/1 -30/9/2011						
Net interest income	412,672	162,305	4	158,205	(122,074)	611,112
Net fee and commission income	53,979	18,139	2,667	(1,377)	3,654	77,062
Net income	471,892	180,121	2,685	285,329	(120,691)	819,335
Segment results	(517,239)	(53,835)	1,439	(809,538)	-	<u>(1,379,172)</u>
Results before tax						(1,379,172)
Income tax						<u>227,183</u>
Results after tax						(1,151,988)
Other segment items						
Capital expenditure	10,192	118	-	1,360	48,752	60,423
Depreciation and amortisation	8,768	34	1	285	19,788	28,876
Provisions and impairments	648,008	119,928	-	1,076,258	-	1,844,194
At 30 September 2012						
Segment assets	28,935,907	8,119,447	9,159	10,526,402	14,750,594	62,341,508
Segment liabilities	27,179,127	1,335,901	309,393	34,720,519	1,208,565	64,753,505
At 31 December 2011						
Segment assets	20,768,002	7,859,230	13,370	12,752,417	2,447,288	43,840,306
Segment liabilities	17,000,039	752,954	317,311	27,517,562	311,122	45,898,988

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

6 Net trading Income

Net trading income amounts to a profit of € 206 million for the period 1/1 - 30/9/2012, mainly due to the profit from the buyback of hybrid capital (Tier 1) and subordinated debt (Lower Tier 2) of the Bank and bonds from securitization of loans.

7 Income tax

	1/1 - 30/9/2012	1/1 - 30/9/2011
Current tax	-	(50,317)
Deferred tax	624,194	281,046
Provisions for tax differences	(956)	(3,545)
	623,239	227,183

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

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

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

The deferred tax for the period 1/1/2012 - 30/9/2012, 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.

8 Earnings/ (losses) per share

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

	1/1 - 30/9/2012	1/1 - 30/9/2011	1/7 - 30/9/2012	1/7 - 30/9/2011
Basic and diluted earnings/ (losses) per share				
Net profit/ (losses) attributable to ordinary shareholders	(522,858)	(1,151,988)	(236,291)	(375,639)
Weighted average number of ordinary shares in issue	1,143,326,564	1,068,442,072	1,143,326,564	1,143,326,564
Basic and diluted earnings/ (losses) per share (in euros)	(0.4573)	(1.0782)	(0.2067)	(0.3285)

9 Analysis of other comprehensive income

	Before-Tax amount	Tax	Net-of-Tax amount
1/1 - 30/9/2012			
Net change in available for sale reserve	210,531	(41,989)	168,542
Other comprehensive income	210,531	(41,989)	168,542

1/1 - 30/9/2011			
Net change in available for sale reserve	97,137	(26,063)	71,074
Other comprehensive income	97,137	(26,063)	71,074

10 Cash and balances with the Central Bank

	30 September 2012	31 December 2011
Cash in hand	475,416	194,805
Nostros and sight accounts with other banks	923,046	557,998
Balances with Central Bank	68,988	642,836
Cheques clearing system - Central Bank	31,763	150,522
Mandatory reserves with Central Bank	20,674	26,687
	1,519,886	1,572,849

11 Financial assets at fair value through profit or loss

	30 September 2012	31 December 2011
Trading securities		
Greek Government bonds	2,959	107,367
Greek Government treasury bills	14,693	8,144
Foreign Government bonds	42,125	-
Corporate bonds	95	9,538
Bank bonds	56	56
Total trading securities	59,927	125,106
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.

12 Loans and advances to customers and debt securities - receivables

	30 September 2012	31 December 2011
Mortgages	11,173,803	6,112,571
Consumer/ personal and other loans	2,523,330	1,885,027
Credit cards	890,214	700,279
Loans to individuals	14,587,347	8,697,877
Loans to corporate entities	25,677,016	22,198,112
Total loans and advances to customers	40,264,363	30,895,990
Corporate debt securities - receivables	4,718	4,834
Bank debt securities - receivables	23,846	23,178
Greek Government bonds debt securities - receivables	1,416,267	3,007,817
Foreign Government Bonds	6,549,782	-
Total debt securities - receivables	7,994,613	3,035,829
Less: Allowance for impairment on loans and advances to customers and debt securities - receivables	(3,708,319)	(4,034,164)
Total loans and advances to customers and debt securities - receivables (less allowances for losses)	44,550,657	29,897,655
of which:		
Loans and advances to customers (net of provisions)	36,579,890	28,496,999
Debt securities - receivables (net of provisions)	7,970,767	1,400,655

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	433,559	442,605	876,165
Charge for the period	131,432	1,257,355	1,388,788
Loans written-off	(60,971)	(180,454)	(241,425)
Foreign exchange differences	-	5,519	5,519
Balance at 30/9/2011	504,020	1,525,025	2,029,046
Opening balance at 1/10/2011	504,020	1,525,025	2,029,046
Charge for the period	44,683	2,016,141	2,060,824
Loans written-off	(10,653)	(46,681)	(57,334)
Foreign exchange differences	-	1,628	1,628
Balance at 31/12/2011	538,050	3,496,113	4,034,164

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

Opening balance at 1/1/2012	538,050	3,496,113	4,034,164
Balance of ATEbank at acquisition date	135,805	627,586	763,390
Charge for the period	143,859	1,001,985	1,145,844
Write offs and exchange of loans and debt securities - receivables	(35,835)	(2,188,596)	(2,224,431)
Foreign exchange differences and other movements	-	(10,648)	(10,648)
Balance at 30/9/2012	781,878	2,926,440	3,708,319

'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 € 4.8 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.

13 Investment securities

	30 September 2012	31 December 2011
Available for sale securities		
Bonds and other fixed income securities		
Greek Government bonds	397,938	154,756
Foreign Government bonds and EFSF bonds	50,577	15,093
Greek Government treasury bills	2,857,495	1,909,471
Corporate bonds	38,300	30,693
Bank bonds	386,786	9,398
	3,731,096	2,119,411
Shares and other variable income securities		
Listed shares	183,976	32,085
Unlisted shares	253,479	144,862
Mutual funds	61,803	85,193
Other Variable Income Securities	25,917	-
	525,174	262,140
Total available for sale securities	4,256,270	2,381,550
	30 September 2012	31 December 2011
Held to maturity		
Greek government bonds	794,093	1,198,239
Total held to maturity	794,093	1,198,239

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.

14 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 € 10.9 million. The revaluation profit of € 0.7 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).

15 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

A) Subsidiary companies				
a/a	Name of Company	Activity	% holding	Country
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.48%	Albania
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.30%	Egypt
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine

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

a/a	Name of Company	Activity	% holding	Country
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus
8.	Piraeus Asset Management Europe S.A.	Mutual funds management	99.94%	Luxemburg
9.	Piraeus Leases S.A.	Finance leases	100.00%	Greece
10.	Piraeus Leasing Romania S.R.L.	Finance leases	99.85%	Romania
11.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece
12.	Tirana Leasing S.A.	Finance leases	100.00%	Albania
13.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece
14.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom
15.	Piraeus Leasing Bulgaria EAD	Finance leases	94.83%	Bulgaria
16.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom
17.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece
18.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece
19.	Picar S.A.	City Link areas management	100.00%	Greece
20.	Bulфина S.A.	Property management	100.00%	Bulgaria
21.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece
22.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece
23.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece
24.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece
25.	ND Development S.A.	Property management	100.00%	Greece
26.	Property Horizon S.A.	Property management	100.00%	Greece
27.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece
28.	Piraeus Development S.A.	Property management	100.00%	Greece
29.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece
30.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom
31.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.85%	Cyprus
32.	Lakkos Mikelli Real Estate LTD	Property management	40.00%	Cyprus
33.	Philoktimatiki Public LTD	Land and property development	6.39%	Cyprus
34.	New Evolution S.A.	Property, tourism & development company	100.00%	Greece
35.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece
36.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia
37.	Vitria Investments S.A.	Investment company	100.00%	Panama
38.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands
39.	Piraeus Insurance - Reinsurance Broker Romania S.R.L.	Insurance and reinsurance Brokerage	95.00%	Romania
40.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases - rent-a-car and long term rental of vehicles	94.98%	Greece
41.	Piraeus Rent Doo Beograd	Operating leases	100.00%	Serbia
42.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom
43.	Piraeus Leasing Doo Beograd	Financial leasing	51.00%	Serbia
44.	Piraeus Capital Management S.A.	Management of Venture Capital Fund	100.00%	Greece
45.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	5.67%	Greece
46.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom
47.	Piraeus Wealth Management A.E.P.E.Y.	Wealth management	65.00%	Greece
48.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
49.	Piraeus Insurance Agency S.A.	Insurance agency	95.00%	Greece
50.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom
51.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
52.	Axia III APC LTD	SPE for securitization of corporate loans	-	United Kingdom
53.	Praxis II APC LTD	SPE for securitization of consumer loans	-	United Kingdom
54.	R.E. Anodus LTD	Consultancy serv. for real estate develop. and inv.	100.00%	Cyprus
55.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus
56.	Achaia Clauss Estate S.A.	Property management	74.47%	Greece
57.	Kosmopolis A' A.E. Εκμ/σης εμπ. κέντρων - παροχής υπηρεσιών	Shopping Center's Management	100.00%	Greece
58.	Exus Software Ltd.	IT products Retailer	50.10%	United Kingdom
59.	ATE Bank Romania S.A.	Banking activities	93.27%	Romania
60.	ABG Mutual Funds Management Company S.A.	Mutual funds management	100.00%	Greece
61.	ATE Insurance S.A.	Insurance	100.00%	Greece

Companies numbered 30, 42, 46, 48 and 50-53 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 32, 33 and 45, which are consolidated with ownership percentage of less than 50% are included in the Bank's subsidiaries portfolio due to the existence of control.

In addition, the companies numbered 17 and 36-37 are under liquidation as at 30/9/2012.

B) Associate companies

a/a	Name of Company	Activity	% holding	Country
1.	Crete Scient. &Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece
2.	"Evros" Development Company S.A.	European community programs management	30.00%	Greece
3.	Project on Line S.A.	Information technology & software	40.00%	Greece
4.	APE Commercial Property Real Estate Tourist & Development S.A.	Holding Company	27.80%	Greece
5.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece
6.	Trieris Real Estate LTD	Property Management	22.94%	British Virgin Islands
7.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece
8.	Trastor Real Estate Investment Company	Real estate investment property	33.80%	Greece
9.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece
10.	Sciens International Investments & Holding S.A.	Holding Company	28.10%	Greece
11.	Ekathariseis Aktoploias S.A.	Ticket Settlements	49.00%	Greece
12.	Euroterra S.A.	Property Management	39.22%	Greece
13.	Rebikat S.A.	Property Management	40.00%	Greece
14.	Abies S.A.	Property Management	40.00%	Greece
15.	ACT SERVICES S.A.	Accounting and tax consulting	49.00%	Greece
16.	Exodus S.A.	Information technology & software	50.10%	Greece
17.	Piraeus - TANEQ Capital Fund	Venture capital fund	50.01%	Greece
18.	AIK Banka	Banking activities	20.86%	Serbia
19.	Teiresias S.A.	Inter banking company. Development, operation and management of information systems	21.05%	Greece

The company numbered 16 is included in the associate companies' portfolio, as Piraeus Bank S.A. owns 40.10% of the voting rights. The company numbered 11 is under liquidation as at 30/9/2012. The company numbered 17 is included in the associate companies' portfolio, due to the fact that Piraeus Bank exercises significant influence on the investment committee of the fund, which takes the investment decisions.

16 Due to credit institutions

"Due to credit institutions" includes refinancing operations through repo transactions within the eurosystem amounting to € 32.8 billion (31/12/2011: € 22.0 billion). The increase of the raised liquidity of the Bank 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 Bank received from HFSF and b) bonds of nominal value of € 6.5 billion given to the Bank by the HFSF, in the context of the acquisition of former ATEbank S.A.

17 Due to customers

	30 September 2012	31 December 2011
Current and sight deposits	4,290,661	3,430,114
Savings accounts	9,441,770	2,691,796
Term deposits	15,446,158	12,064,402
Other accounts	231,259	147,694
Repurchase agreements	469	423
	29,410,317	18,334,429

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

18 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	-	19,964
€ 500 m. fixed rate notes due 2012	-	354,192
€ 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	5,074
	75,715	497,435
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	1,266,788

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

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

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

Piraeus Bank, 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.

19 Hybrid capital and other borrowed funds

	30 September 2012	31 December 2011
Hybrid Capital (Tier I)		
€ 200 m. floating rate notes due to 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
Total hybrid capital and other borrowed funds	334,092	494,984

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

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

The Bank is not in default of any payments of principal and interest of the 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.

20 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Bank as at 30/9/2012, are not expected to have any significant impact on the financial statements of the Bank, according to the opinion of the legal affairs division of the Bank.

B) Credit commitments

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

	30 September 2012	31 December 2011
Letters of guarantee	2,872,091	2,767,158
Letters of credit	31,740	39,904
Commitments to extent credit	720,770	1,135,753
	3,624,601	3,942,815

C) Assets pledged

	30 September 2012	31 December 2011
Loans and advances to credit institutions	785,845	-
Trading securities	17,750	120,248
Investment securities	1,708,354	2,976,914
Debt securities issued and held by the Bank	11,589,471	14,702,402
Loans and advances to customers & debt securities - receivables	17,228,701	13,928,154
	31,330,120	31,727,718

In the "Debt securities issued and held by the Bank" category, an amount of € 10,002 million refers to securities that had been issued with the unconditional guarantee of the Hellenic Republic, 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	40,846	45,558
From 1 to 5 years	167,140	190,777
More than 5 years	319,632	389,627
	527,618	625,962

21 Share capital

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

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

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 dividends to the shareholders for the year 2011, according to the established provisions (article 44a of Law 2190/1920 and article 1 of Law 3723/2008 as in force, combined with the article 4 of Law 4063/2012) for the credit institutions participating in the Economy reinforcement plan.

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

22 Other reserves and retained earnings

	30 September 2012	31 December 2011
Legal reserve	69,442	68,995
Available for sale reserve	101,150	(67,392)
Total other reserves	170,591	1,603
Retained earnings	(6,628,941)	(6,106,639)
Total other reserves and retained earnings	(6,458,350)	(6,105,036)

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

	30 September 2012	31 December 2011
Available for sale reserve		
Opening balance for the period	(67,392)	(340,159)
Gains/ (losses) from the valuation of bonds and Greek government treasury bills	151,571	(258,983)
Gains/ (losses) from the valuation of shares and mutual funds	48,748	(91,355)
Recycling on Greek Government bonds impairment	-	427,614
Recycling on shares and mutual funds impairment	9,277	266,437
Deferred income taxes	(41,989)	(76,820)
Recycling of the accumulated fair value adjustment of disposed securities	925	(853)
Depreciation of accumulated impairment of transferred bonds	-	6,728
Foreign exchange differences and other adjustments	10	(1)
Closing balance for the period	101,150	(67,392)
Retained earnings movement		
Opening balance for the period	(6,106,639)	326,384
Share capital increase expenses	(23)	(4,180)
Absorption of company	579	-
Profit/ (loss) after tax for the period	(522,858)	(6,428,843)
Closing balance for the period	(6,628,941)	(6,106,639)

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

23 Related parties transactions

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

	Board of Directors members and key management personnel	
	30 September 2012	31 December 2011
Loans	87,561	129,699
Deposits	15,897	26,913

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/9/2012 are € 1.3 million (31/12/2011: € 1.2 million). Letters of guarantee to subsidiaries as at 30/9/2012 are € 314.6 million (31/12/2011: € 318.2 million). The total income that relates to members of the Board of Directors and the key management personnel for period 1/1 - 30/9/2012 is € 2.0 million (1/1-30/9/2011: € 3.7 million). The total expense that relates to the prementioned related parties for the period 1/1 - 30/9/2012 is € 0.5 million (1/1-30/9/2011: € 0.8 million).

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

	1/1 - 30/9/2012	1/1 - 30/9/2011
Directors' remuneration		
Wages, salaries, employers' 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.

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

	30 September 2012	31 December 2011
I. Subsidiaries		
Assets		
Cash and balances with the central bank	13,519	733
Loans and advances to credit institutions	2,788,405	2,928,900
Loans and advances to customers	622,989	671,044
Other assets	352,520	290,906
Total	3,777,433	3,891,583

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

	30 September 2012	31 December 2011
Liabilities		
Due to credit institutions	349,614	276,192
Due to customers	581,932	553,055
Debt securities in issue	464,989	1,258,304
Hybrid capital and other borrowed funds	334,092	494,984
Other liabilities	8,393	13,541
Total	1,739,020	2,596,076
	1/1 - 30/9/2012	1/1 - 30/9/2011
Revenues		
Interest and similar income	70,640	139,868
Fee and commission income	7,841	8,165
Other operating income	980	1,273
Total	79,460	149,307
	1/1 - 30/9/2012	1/1 - 30/9/2011
Expenses		
Interest expense and similar charges	(58,214)	(151,823)
Fee and commission expense	(7,025)	(11,252)
Operating expenses	(24,953)	(26,943)
Total	(90,193)	(190,017)
	30 September 2012	31 December 2011
II. Associates		
Deposits and other liabilities	35,139	47,246
Loans and other receivables	173,438	100,624
	1/1 - 30/9/2012	1/1 - 30/9/2011
Total expense	(6,500)	(1,400)
Total income	5,007	2,495

24 Restatement of comparatives

At the period 1/1 - 30/9/2011 a loss of € 32,551 thousand (€ 32,000 thousand for the period 1/7 - 30/9/2011) was reclassified from "Results from investment securities" and an amount of € 374,009 thousand (€ 70,850 thousand for the period 1/7 - 30/9/2011) from "Impairment losses on loans, receivables, and greek government bonds" to "Impairment on investment securities".

25 Acquisition of assets and liabilities of former ATEbank S.A.

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%) and ATE Insurance S.A. (percentage 100%) which were classified in subsidiary companies portfolio. Specifically, it shall be noted that the acquired interest in subsidiary ATE Insurance S.A. has been included in the Held for Sale portfolio as at the acquisition date, as the requirements of IFRS 5 are fulfilled. Also, through the above mentioned acquisition, Piraeus Bank acquired a percentage of 20.86% of the company AIK BANKA which was classified in associate companies portfolio, 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. The aforementioned acquired interests in subsidiaries and associates are presented in note 15. It is also noted that the approval from the Central Bank of Serbia, namely to the acquisition of the interest in 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:

	Former Atebank S.A.
Assets	
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	1,683,365
Total Assets	13,948,324
Liabilities	
Due to credit institutions	6,496,761
Due to customers	14,871,129
Other liabilities	91,025
Total liabilities	21,458,915
Shareholders equity	0
Total liabilities and shareholders equity	21,458,915

Cost of acquisition	95,000
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.

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

According to L.4093/12.11.2012, credit institutions that participate in the recapitalization program according to the terms of L.3723/2008, will pay to the HFSF an once off total amount of € 555.6 million, of which approximately € 133 million relates to 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 billion approximately) and in the held to maturity portfolio (of nominal value € 2.6 billion approximately), of a carrying value at the exchange date of € 1.7 billion approximately, were exchanged with EFSF bonds, with a benefit in the after tax results and equity of € 0.3 billion approximately.

Athens, December 19th, 2012

CHAIRMAN
OF THE BOARD OF DIRECTORS

MICHALIS G. SALLAS

MANAGING DIRECTOR
& C.E.O

STAVROS M. LEKKAKOS

CHIEF FINANCIAL
OFFICER

GEORGE I. POULOPOULOS

ASSISTANT
GENERAL MANAGER

KONSTANTINOS S. PASCHALIS