



PIRAEUS BANK S.A.

**Interim Condensed Financial
Information**

30 September 2010

**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 November 25th, 2010 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 2010	30 September 2009	30 September 2010	30 September 2009
Interest and similar income		1,507,666	1,689,788	558,172	496,992
Interest expense and similar charges		(900,170)	(1,118,606)	(360,320)	(297,939)
NET INTEREST INCOME		607,496	571,182	197,852	199,053
Fee and commission income		103,168	95,294	34,126	29,217
Fee and commission expense		(28,478)	(32,635)	(10,317)	(14,036)
NET FEE AND COMMISSION INCOME		74,690	62,659	23,809	15,180
Dividend income		36,832	40,212	199	2,320
Net trading income	6	(67,003)	65,335	41,205	37,837
Net income from financial instruments designated at fair value through profit or loss		(6,791)	(1,726)	(5,710)	79
Gains/ (Losses) from investment securities	7	(23,084)	(1,923)	(18,386)	(1,962)
Other operating income		28,326	28,294	2,903	20,337
TOTAL NET INCOME		650,467	764,033	241,872	272,845
Staff costs		(173,083)	(180,633)	(55,616)	(59,479)
Administrative expenses		(178,364)	(174,508)	(64,501)	(64,053)
Depreciation and amortisation		(24,688)	(27,898)	(8,296)	(9,398)
Gains/ (Losses) from sale of assets		(709)	220	(348)	136
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(376,844)	(382,819)	(128,761)	(132,795)
PROFIT BEFORE PROVISIONS AND INCOME TAX		273,623	381,214	113,111	140,050
Impairment losses on loans and receivables	13	(251,539)	(176,847)	(93,734)	(71,614)
PROFIT BEFORE INCOME TAX		22,083	204,367	19,378	68,436
Income tax expense	8	11,496	(29,498)	9,231	(10,076)
Tax Contribution	8	(19,951)	-	-	-
PROFIT AFTER TAX FOR THE PERIOD		13,628	174,869	28,609	58,359
Earnings/ (Losses) per share (in euros):					
- Basic	9	(0.0228)	0.4901	0.0637	0.1454
- Diluted	9	(0.0228)	0.4901	0.0637	0.1454
PROFIT AFTER TAX WITHOUT TAX CONTRIBUTION		33,579	174,869	28,609	58,359

INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 September 2010	31 December 2009
ASSETS			
Cash and balances with Central Banks	11	1,336,035	1,747,045
Loans and advances to credit institutions		5,037,625	4,442,537
Derivative financial instruments - assets		268,743	170,606
Trading securities	12	69,437	1,041,535
Financial instruments at fair value through profit or loss		16,411	20,269
Loans and advances to customers (net of provisions)	13	31,484,888	31,245,446
Investment securities			
- Available for sale securities	14	2,032,312	2,186,728
- Held to maturity	14	5,000,035	3,305,687
Debt securities - receivables	15	2,436,523	898,794
Investments in subsidiaries		2,012,017	1,923,099
Investments in associated undertakings		179,424	161,424
Intangible fixed assets		91,598	76,597
Property, plant and equipment		319,442	313,451
Investment property		178,512	121,221
Assets held for sale	18	63,305	84,144
Deferred tax assets		322,255	232,055
Inventories property		72,729	82,560
Other assets		893,286	868,804
TOTAL ASSETS		51,814,579	48,922,004
LIABILITIES			
Due to credit institutions	19	19,136,981	14,250,445
Liabilities at fair value through profit or loss	20	733,911	-
Derivative financial instruments - liabilities		338,131	160,575
Due to customers	21	24,310,837	25,729,695
Debt securities in issue	22	3,140,713	4,397,704
Hybrid capital and other borrowed funds	23	506,458	507,700
Retirement benefit obligations		184,271	173,271
Other provisions		10,665	10,665
Current income tax liabilities		22,286	38,023
Deferred tax liabilities		92,071	68,438
Other liabilities		328,102	347,334
TOTAL LIABILITIES		48,804,424	45,683,850
EQUITY			
Share capital	25	1,974,020	1,974,020
Share premium	25	927,739	927,739
Other reserves	26	(234,133)	(78,316)
Retained earnings	26	342,528	414,711
TOTAL EQUITY		3,010,154	3,238,154
TOTAL LIABILITIES AND EQUITY		51,814,579	48,922,004

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Period from 1 January to		Period from 1 July to	
		30 September 2010	30 September 2009	30 September 2010	30 September 2009
PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD (A)		13,628	174,869	28,609	58,359
Other comprehensive income, net of tax:					
Net change in available for sale reserve	10, 26	(155,817)	73,172	11,624	31,151
Expenses on issuance of preference shares	10	-	(4,110)	-	-
Premium on equity instrument	10, 26	(67,805)	-	-	-
Other comprehensive income for the period, net of tax (B)	10	(223,621)	69,062	11,624	31,151
Total comprehensive income for the period, net of tax (A+B)		(209,994)	243,932	40,233	89,510

INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings	TOTAL
Opening balance as at 1st January 2009		1,571,923	927,775	(167,319)	(91,573)	383,022	2,623,827
Other comprehensive income for the period, net of tax	10,26				73,172	(4,110)	69,062
Net profit after tax for the period 1/1/2009 - 30/9/2009	26					174,869	174,869
Total recognised income for the period 1/1/2009 - 30/9/2009		0	0	0	73,172	170,759	243,932
Prior year dividends of ordinary shares	26					(35,664)	(35,664)
Share capital increase due to reinvestment of dividends	25	32,097	(36)				32,062
Issue of preference shares	25	370,000					370,000
Purchases of treasury shares	25			(4,119)			(4,119)
Sales of treasury shares	25, 26			171,438		(69,393)	102,045
Balance as at 30th September 2009		1,974,020	927,739	0	(18,400)	448,725	3,332,083
Opening balance as at 1st October 2009		1,974,020	927,739	0	(18,400)	448,725	3,332,083
Other comprehensive income for the period, net of tax	26				(71,873)	4,110	(67,763)
Net profit after tax for the period 1/10/2009 - 31/12/2009	26				7,297	(36,227)	(28,930)
Total recognised income for the period 1/10/2009 - 31/12/2009		0	0	0	(64,577)	(32,117)	(96,694)
Issue of preference shares	26					(4,110)	(4,110)
Sales of treasury shares	26					(1,329)	(1,329)
Absorptions of companies	26				4,661	3,543	8,204
Balance as at 31st December 2009		1,974,020	927,739	0	(78,317)	414,711	3,238,154
Opening balance as at 1st January 2010		1,974,020	927,739	0	(78,317)	414,711	3,238,154
Other comprehensive income for the period, net of tax	10, 26				(155,817)	(67,805)	(223,621)
Net profit after tax for the period 1/1/2010 - 30/9/2010	26					13,628	13,628
Total recognised income for the period 1/1/2010 - 30/9/2010		0	0	0	(155,817)	(54,177)	(209,994)
Prior year dividends of preference shares	26					(18,006)	(18,006)
Balance as at 30th September 2010		1,974,020	927,739	0	(234,133)	342,528	3,010,154

INTERIM STATEMENT OF CASH FLOWS

	Note	Period from 1 January to	
		30 September 2010	30 September 2009
<i>Cash flows from operating activities</i>			
Profit before tax		22,083	204,367
<i>Adjustments to profit before tax:</i>			
Add: impairment for loans and advances and other provisions	13	251,539	176,847
Add: depreciation and amortisation charge		24,688	27,898
Add: retirement benefits		22,279	25,952
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		21,523	(38,059)
(Gains)/ losses from investing activities		<u>(34,434)</u>	<u>(45,340)</u>
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>		307,678	351,665
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		(6,348)	(337)
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		72,207	(470,271)
Net (increase)/ decrease in loans and advances to credit Institutions		(281,768)	(1,969,435)
Net (increase)/ decrease in loans and advances to customers		(496,698)	2,070,616
Net (increase)/ decrease in debt securities - receivables		(601,155)	(373,979)
Net (increase)/ decrease in other assets		(271,210)	37,438
Net increase/ (decrease) in due to credit institutions		4,886,535	(2,737,466)
Net increase/ (decrease) in liabilities at fair value through profit or loss		733,911	-
Net increase/ (decrease) in amounts due to customers		(1,418,858)	1,930,647
Net increase/ (decrease) in other liabilities		<u>147,045</u>	<u>(547,946)</u>
<i>Net cash flow from operating activities before income tax payment</i>		3,071,340	(1,709,067)
Income tax paid		<u>(1,938)</u>	<u>(6,111)</u>
Net cash inflow/ (outflow) from operating activities		3,069,401	(1,715,178)
<i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment		(39,748)	(69,231)
Sales of property, plant and equipment		1,748	848
Purchases of intangible assets		(10,689)	(9,049)
Purchases of assets held for sale		-	(61,128)
Sales of assets held for sale		20,839	-
Purchases of available-for-sale securities	14	(924,572)	(435,351)
Disposals of available-for-sale securities	14	422,771	85,273
Purchase of held to maturity securities	14	(1,296,941)	(58,638)
Acquisition of subsidiaries and participation in share capital increases		(118,025)	(132,596)
Disposal of subsidiaries		12,056	-
Acquisition of associates and participation in share capital increases		(14,602)	(3,448)
Disposal of associates		-	750
Dividends from subsidiaries		30,458	26,439
Dividends from associates		2,373	2,412
Dividends from available for sale securities		<u>4,001</u>	<u>5,643</u>
Net cash inflow/ (outflow) from investing activities		(1,910,332)	(648,075)
<i>Cash flows from financing activities</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(1,258,234)	(2,332,260)
Net proceeds from share capital increase due to reinvestment of dividends	25	-	32,062
Net proceeds from issue of preference shares-Greek State	25	-	370,000
Payment/ reinvestment of prior year dividends	26	(22,808)	(35,664)
Purchases of treasury shares	25	-	(4,119)
Sales of treasury shares		<u>-</u>	<u>102,045</u>
Net cash inflow/ (outflow) from financing activities		(1,281,042)	(1,867,936)
Effect of exchange rate changes on cash and cash equivalents		<u>5,923</u>	<u>40</u>
Net increase/ (decrease) in cash and cash equivalents of the period		(116,050)	(4,231,150)
Cash and cash equivalents at the beginning of the period		3,421,346	6,442,294
Cash and cash equivalents at the end of the period		3,305,297	2,211,144

The notes on pages 6 to 17 are an integral part of these interim condensed financial information.

1 General Information about the Bank

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

Piraeus Bank is incorporated and domiciled in Greece. The address of the registered office is 4 Amerikis st., Athens. Piraeus Bank operates in Greece and in London (U.K.). The Bank employs 4,917 people.

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Banks, 20, 140, International), FTSE/ATHEX-CSE Banking Index, FTSE RAFI Index Series, FTSE Med 100, GT-30, MSCI (World, Europe, EMU, EAFE, Greece), Euro Stoxx, Euro Stoxx Banks, S&P (Global BMI, Developed BMI) and FTSE4Good Index Series.

2 General accounting policies of the Bank

The same accounting policies and methods of computation as those in the annual financial statements for the year ended 31 December 2009 have been followed.

Piraeus Bank has adopted the revised International Financial Reporting Standard (IFRS) 3 "Business Combinations", the revised IAS 27 "Consolidated and Separate Financial Statements" and the revised IAS 28 "Investments in associates". The main changes from the revised IFRSs are as follows:

- (a) When control is obtained, goodwill is measured on the date of acquisition as the difference between (i) the aggregate of the fair value of the consideration transferred, the value of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree and (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured at their acquisition-date fair values. The requirement to measure at fair values the assets and liabilities at each step acquisition for the calculation of a portion of goodwill has been removed.
- (b) Non controlling interests, upon initial recognition, may be measured either at fair value or at their proportionate interest in the net identifiable assets.
- (c) Acquisition-related costs, that is costs incurred by the acquirer to effect a business combination, are no longer part of the acquisition cost and are recorded as expenses in the periods in which the costs are incurred.
- (d) When changes in ownership interest take place, with which control is obtained or lost, the investment that existed prior to the change in ownership or the remaining investment after the disposal shall be measured at fair value and any changes shall be recognised in profit or loss account.
- (e) Changes in parent's ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.
- (f) Contingent consideration must be recognized and measured at fair value at the acquisition date.

The above amendments do not have a significant effect on the financial statements of the Bank.

The following amendments and interpretations, that have been issued by the International Accounting Standards Board and endorsed by the E.U., are effective from 1/1/2010 but they do not have a significant effect on the Bank's financial statements:

- IAS 31 (Amendment), "Interests in joint ventures"
- IAS 39 (Amendment - Eligible Hedged Items), "Financial instruments: Recognition and measurement"
- IFRS 1 (Amendments), "First Time Adoption of International Financial Reporting Standards" and "Additional Exemptions for First Time Adopters"
- IFRS 2 (Amendment – Group Cash-settled Share-based Payment Transactions), "Share-based payment"
- IFRIC Interpretation 17, "Distributions of Non-cash Assets to Owners"
- IFRIC Interpretation 18, "Transfers of Assets from Customers".

- Improvements to IFRSs (May 2008):

IFRS 5 (Amendment), "Non current Assets Held for Sale and Discontinued Operations".

- Improvements to IFRSs (April 2009):

- IAS 1 (Amendment), "Presentation of Financial Statements"
- IAS 7 (Amendment), "Statement of Cash Flows"
- IAS 17 (Amendment), "Leases"
- IAS 36 (Amendment), "Impairment of Assets"
- IAS 38 (Amendment), "Intangible Assets"
- IAS 39 (Amendment), "Financial instruments: Recognition and measurement"
- IFRS 2 (Amendment), "Share-based payment"
- IFRS 5 (Amendment), "Non current Assets Held for Sale and Discontinued Operations"
- IFRS 8 (Amendment), "Operating Segments"
- IFRIC Interpretation 9 (Amendment), "Reassessment of Embedded Derivatives"
- IFRIC Interpretation 16 (Amendment), "Hedges of a Net Investment in a Foreign Operation".

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 2009.

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.

4 Critical accounting estimates and judgements

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 and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most important areas where the Bank uses accounting estimates and judgements, in applying the Bank's accounting policies, are as follows:

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.

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.

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. Available for sale investments are impaired when there is significant or prolonged decline (judgement is required) in the fair value below cost. When this occurs, the relevant portion of the available for sale reserve is recycled to the income statement of the period. Judgement is also required for the estimation of the fair value of investments that are not traded in an active market. For these investments, the fair value computation through financial models takes also into account evidence of deterioration in the financial performance of the investee, as well as industry and sector economical performance and changes in technology.

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. If the Bank fails to keep these investments to maturity other than for specific circumstances -for example, selling an insignificant amount close to maturity- it will be required to reclassify the entire class to the available for sale portfolio. The investments would therefore be remeasured at fair value.

5. 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.

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 income 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 - 30/9/2010						
Net interest income	465,612	184,392	(8)	100,570	(143,071)	607,496
Net fee and commission income	64,684	9,982	2,348	1,853	(4,176)	74,690
Net income	531,981	195,086	2,313	42,326	(121,240)	650,467
Segment results	(23,502)	22,507	1,117	21,961	-	22,083
Profit before tax						22,083
Income tax expense (included tax contribution)						(8,456)
Profit after tax						13,628
Other segment items						
Capital expenditure	15,232	943	-	1,988	32,275	50,437
Depreciation and amortisation	9,722	90	2	351	14,522	24,688
Impairment charge - loans and advances	220,753	30,786	-	-	-	251,539
1/1 - 30/9/2009						
Net interest income	459,025	136,508	-	42,124	(66,476)	571,181
Net fee and commission income	49,302	9,713	2,196	5,159	(3,710)	62,659
Net income	509,904	145,021	2,196	134,025	(27,113)	764,033
Segment results	81,577	54,554	1,008	67,228	-	204,367
Profit before tax						204,367
Income tax expense						(29,498)
Profit after tax						174,869
Other segment items						
Capital expenditure	12,864	27,365	-	958	37,093	78,280
Depreciation and amortisation	12,248	113	5	359	15,173	27,898
Impairment charge - loans and advances	148,615	26,647	-	-	1,585	176,847
At 30 September 2010						
Segment assets	23,003,560	9,731,498	(10)	16,121,274	2,958,256	51,814,579
Segment liabilities	21,866,423	2,074,657	392	23,710,878	1,152,075	48,804,424
At 31 December 2009						
Segment assets	23,454,946	10,691,999	(5)	12,577,032	2,198,032	48,922,004
Segment liabilities	24,619,372	1,188,795	402	19,132,676	742,605	45,683,850

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 € 67.0 million loss for the 9 month period of 2010 comparing to € 65.3 million gain for the 9 month period of 2009, mainly due to losses from bonds and derivatives.

7 Gains/ (Losses) from investment securities

Losses from investment securities amount to € 23.1 million for the 9 month period of 2010, mainly due to impairment of shares included in the available for sale portfolio and due to transactions with subsidiaries and available for sale shares.

8 Income tax expense

	1/1 - 30/9/2010	1/1 - 30/9/2009
Current Tax	(2,079)	(6,964)
Deferred Tax	13,575	(19,932)
Tax Provisions	-	(2,602)
Tax Contribution	(19,951)	-
	(8,455)	(29,498)

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2008 have been finalized. For the unaudited tax years, the required provisions have been raised according to International Financial Reporting Standards (IFRS).

The tax rate for Greek legal entities, in accordance with the provisions of article 109 par.1 of Law 2238/1994, as amended by Law 3697/2008, is 24% for the year 2010 and 25% for the year 2009. Further, article 109 par. 1 of Law 2238/1994 was amended by article 13 par. 7 of Law 3842/2010 (Government Gazette A' 58/23-4-2010) and it is provided that for the year 2010 non-distributed profits of legal entities will be taxed at 24%, whereas distributed profits will be taxed at 40%.

Based on article 5 of Law 3845/6.5.2010 "Measures for the application of the support mechanism for the Greek economy by euro area Member States and the International Monetary Fund", a one-off tax contribution of social responsibility was imposed on the total 2009 net income of legal entities of article 2 par. 4 and 101 par. 1 of Income Tax Code (Law 2238/1994), provided that it exceeds € 100 thousand. The one-off extraordinary tax contribution of social responsibility has been determined according to the Bank's estimations and amounts to € 20 million. The amount of the above tax contribution will be finalized after the receipt of the relevant Settlement Notes issued by the competent Tax Authorities.

9 Earnings/ (Losses) per share

Basic earnings/ (losses) per share is calculated by dividing the net profit/ (loss) attributable to common shareholders for the period by the weighted average number of common shares in issue during the period, excluding the average number of common shares purchased by Piraeus Bank and held as treasury shares. For the calculation of the diluted earnings/ (losses) per share, all the dilutive potential common shares are taken into consideration.

	1/1 - 30/9/2010	1/1 - 30/9/2009	1/7 - 30/9/2010	1/7 - 30/9/2009
Basic earnings per share				
Profit/ (Loss) after tax	13,628	174,869	28,609	58,359
Less: Accrued dividends of preference shares after tax	(21,309)	(13,567)	(7,181)	(9,457)
Net profit/ (loss) attributable to common shareholders	(7,681)	161,303	21,428	48,903
Weighted average number of common shares in issue	336,272,519	329,153,571	336,272,519	336,272,519
Basic earnings/ (losses) per share (in euros)	(0,0228)	0,4901	0,0637	0,1454

Potential common shares of the 3rd share option scheme did not have an effect to the calculation of diluted earnings/ (losses) per share, as the average market price of common shares during the period 1/1-30/9/2010 and 1/1-30/9/2009 did not exceed the option's exercise price. Consequently, the diluted earnings/ (losses) per share for the period 1/1-30/9/2010 and for the period 1/1-30/9/2009 are equal to the basic earnings/ (losses) per share.

10 Analysis of other comprehensive income

1/1 - 30/9/2010	Before-Tax amount	Tax	Net-of-Tax amount
Net change in available for sale reserve	(204,007)	48,190	(155,817)
Premium on equity instrument	(67,805)	-	(67,805)
Other comprehensive income	(271,812)	48,190	(223,621)

1/1 - 30/9/2009	Before-Tax amount	Tax	Net-of-Tax amount
Net change in available for sale reserve	87,842	(14,670)	73,172
Expenses on issuance of preference shares	(4,110)	-	(4,110)
Other comprehensive income	83,732	(14,670)	69,062

11 Cash and balances with Central Banks

	30 September 2010	31 December 2009
Cash in hand	205,149	268,414
Nostros and sight accounts with other banks	563,730	113,666
Balances with central bank	278,234	932,210
Cheques clearing system - central bank	282,201	432,382
Mandatory reserves with central bank	6,722	374
	1,336,035	1,747,045

12 Trading securities

Trading securities amount to € 69.4 million as at 30/9/2010 (31/12/2009: € 1,041.5 million). The decrease is mainly due to the reclassification of bonds and treasury bills from "Trading securities" to "Available for sale securities" (note 16).

13 Loans and advances to customers

	30 September 2010	31 December 2009
Loans to individuals		
Mortgages	6,134,136	6,012,192
Consumer/ personal and other loans	2,596,099	2,383,860
Credit cards	782,545	766,416
	9,512,780	9,162,468
Loans to corporate entities	22,764,305	22,694,151
Total loans and advances to customers	32,277,085	31,856,619
Less: Allowance for losses (impairment) on loans and advances to customers	(792,197)	(611,173)
Total loans and advances to customers (less allowances for losses)	31,484,888	31,245,446

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

	Loans to individuals	Loans to corporate entities	Total
Balance at 1/1/2009	200,446	281,488	481,935
Charge for the period	133,572	42,958	176,529
Loans written-off	(77,311)	(24,410)	(101,721)
Balance at end of period 30/9/2009	256,706	300,036	556,742
Balance at 1/10/2009	256,706	300,036	556,742
Charge for the period	46,750	39,305	86,055
Loans written-off	-	(31,625)	(31,625)
Balance at end of year 31/12/2009	303,456	307,716	611,173
Balance at 1/1/2010	303,456	307,716	611,173
Charge for the period	150,909	100,630	251,539
Loans written-off	(61,151)	(15,082)	(76,232)
Foreign exchange differences	-	5,717	5,717
Balance at end of period 30/9/2010	393,215	398,982	792,197

The charge for the 9month period of 2009 of amount € 176.8 million in the income statement includes amount of € 0.3 million which relates to impairment of other receivables.

14 Investment Securities

The movement of investment securities is summarized as follows:

	30 September 2010	31 December 2009
Movement of the available for sale securities		
Opening Balance	2,186,728	792,700
Additions	924,572	1,552,594
Disposals/ Maturities	(422,771)	(124,786)
Transfers from trading portfolio (note 16)	890,444	-
Transfers to debt securities - receivables (note 16)	(936,575)	-
Transfers to held for sale assets	-	(19,131)
Changes in fair value (note 26)	(209,223)	(7,816)
Transfers to held to maturity portfolio (note 16)	(397,407)	-
Impairment charge	(3,457)	(3,500)
Foreign exchange differences	-	(3,333)
Balance at the end of the period	2,032,312	2,186,728
Movement of the held to maturity securities		
Opening balance	3,305,687	3,263,095
Additions	1,296,941	42,593
Transfers from AFS portfolio (note 16)	397,407	-
Balance at the end of the period	5,000,035	3,305,687

15 Debt securities – receivables

Debt securities – receivables amount to € 2,436.5 million as at 30/9/2010 (31/12/2009: € 898.8 million). This increase is due to purchases of securities during the 9month period of 2010 and due to the reclassification of securities as described in note 16.

16 Reclassification of financial assets

In the 2nd quarter of 2010, due to adverse conditions in financial markets and more specifically in the Greek Government bond market due to the decline of the Greek public financials, bonds with fair value of € 890.4 million were reclassified from the “Trading securities” portfolio into the “Available for sale securities” portfolio. Of these, in the “Available for sale securities” portfolio as at 30/9/2010 remained bonds with fair value of € 551.4 million, as € 317.6 million matured at par during the 3rd quarter of 2010. A revaluation loss of € 17.1 million, for the remaining bonds, from the reclassification date to 30/9/2010 has been recognized in the “Available for Sale reserve”. A revaluation loss of € 12.7 million for the period from 1/1/2010 to the reclassification date is still recognized in the Income Statement for the period.

Moreover, in the 2nd quarter of 2010, bonds with fair value of € 936.6 million were reclassified from the “Available for sale securities” portfolio to the “Debt securities - receivables” portfolio as these bonds met, at the date of reclassification all the conditions of IAS 39 in order to be classified as Loans and Receivables. The fair value of the above mentioned bonds as at 30/9/2010 was € 784.3 million (amortized cost € 900.7 million). The revaluation reserve as at the reclassification date (revaluation loss of € 73.6 million) will be amortized through Profit or Loss over the remaining life of the bonds using the effective interest rate method. If these bonds had not been reclassified, a revaluation loss of € 118.9 million would have been recognized in the “Available for sale reserve”. Interest on reclassified securities will be calculated based on the effective interest rate method and will not differentiate significantly from the interest based on the nominal interest rate. Consequently, the future cash flows of securities are expected to be in the level of their nominal value and future interest.

Also during the 2nd quarter of 2010, bonds with fair value of € 397.4 million were reclassified from the “Available for sale securities” portfolio to the “Held to Maturity” portfolio. The Bank has the intention and the ability to hold these bonds until maturity.

Investment portfolio on 30/9/2010 includes shares and bonds, which have been reclassified on 1/7/2008 and on 1/10/2008 respectively, in accordance with the amendments of IAS 39 and IFRS 7. Specifically, the "Available for sale securities" portfolio as at 30/9/2010 includes shares and mutual funds with fair value of € 20.5 million, which were reclassified from the "Trading securities" portfolio on 1/7/2008. The revaluation loss of € 9.5 million for the period 1/1-30/9/2010 has been recognized in the "Available for sale reserve". "Available for sale" portfolio on 30/9/2010 includes bonds with fair value of € 144.9 million, which were reclassified on 1/10/2008 from the "Trading securities" portfolio. The revaluation loss of € 21.2 million for the period 1/1-30/9/2010 has been recognized in the "Available for sale reserve". Losses of € 0.2 million from the sale of reclassified bonds have been recognized in the Income Statement for the period 1/1-30/9/2010.

"Held to Maturity" portfolio as at 30/9/2010 includes bonds with fair value of € 353.3 million (amortized cost € 593 million), which were reclassified on 1/10/2008 from "Trading securities" portfolio. If these bonds had not been reclassified, a revaluation loss of € 155.2 million would have been recognized in the "Net trading Income" for the period 1/1-30/9/2010.

"Debt securities – receivables" portfolio as at 30/9/2010 includes corporate bonds with fair value of € 19.5 million (amortized cost of € 18.9 million) and "Loans and advances to credit institutions" portfolio includes bank bonds with fair value of € 21.1 million (amortized cost € 19.3 million), which were reclassified on 1/10/2008 from the "Available for sale securities" portfolio. If these bonds had not been reclassified, the "Available for sale reserve" for period 1/1-30/9/2010 would have been benefited by € 4.3 million.

17 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

A) Subsidiaries companies

a/a	Name of Company	Activity	% holding	Country
1.	Marathon Banking Corporation	Banking Activities	93.94%	U.S.A.
2.	Tirana Bank I.B.C. S.A.	Banking Activities	96.72%	Albania
3.	Piraeus Bank Romania S.A.	Banking Activities	100.00%	Romania
4.	Piraeus Bank Beograd A.D.	Banking Activities	100.00%	Serbia
5.	Piraeus Bank Bulgaria A.D.	Banking Activities	99.98%	Bulgaria
6.	Piraeus Bank Egypt S.A.E.	Banking Activities	98.03%	Egypt
7.	JSC Piraeus Bank ICB (former OJSC Piraeus Bank ICB)	Banking Activities	99.97%	Ukraine
8.	Piraeus Bank Cyprus LTD	Banking Activities	100.00%	Cyprus
9.	Piraeus Asset Management Europe S.A.	Mutual Funds Management	99.94%	Luxemburg
10.	Piraeus Leases S.A.	Finance Leases	100.00%	Greece
11.	Piraeus Leasing Romania S.R.L.	Finance Leases	99.85%	Romania
12.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and Reinsurance Brokerage	100.00%	Greece
13.	Tirana Leasing S.A.	Finance Leases	100.00%	Albania
14.	Piraeus Securities S.A.	Stock Exchange Operations	100.00%	Greece
15.	Piraeus Group Capital LTD	Debt Securities Issue	100.00%	United Kingdom
16.	Piraeus Leasing Bulgaria EAD.	Finance Leases	100.00%	Bulgaria
17.	Piraeus Group Finance P.L.C.	Debt Securities Issue	100.00%	United Kingdom
18.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece
19.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece
20.	Piraeus Multifin S.A.	Motor vehicles trading	100.00%	Greece
21.	Picar S.A.	City Link Areas Management	100.00%	Greece
22.	Bulfin S.A.	Property Management	100.00%	Bulgaria
23.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece
24.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece
25.	Komotini Real Estate Development S.A.	Property Management	100.00%	Greece
26.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece
27.	ND Development S.A.	Property Management	100.00%	Greece
28.	Property Horizon S.A.	Property Management	100.00%	Greece
29.	ETVA Industrial Parks S.A.	Development/ Management of Industrial Areas	65.00%	Greece
30.	Piraeus Development S.A.	Property Management	100.00%	Greece
31.	Piraeus Asset Management S.A.	Mutual Funds Management	100.00%	Greece
32.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom
33.	Euroinvestment & Finance Public LTD	Asset Management, real estate operations	90.85%	Cyprus
34.	Lakkos Mikelli Real Estate LTD	Property Management	40.00%	Cyprus
35.	Philoktimatiki Public LTD	Land and property development	6.39%	Cyprus
36.	New Evolution S.A.	Property, tourism & development company	100.00%	Greece
37.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece
38.	Piraeus Cards S.A.	Financial services and consultancy	59.16%	Greece
39.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia
40.	Maples Invest & Holding S.A.	Investment company	100.00%	British Virgin Islands
41.	Margetson Invest & Finance S.A.	Investment company	100.00%	British Virgin Islands
42.	Vitria Investments S.A.	Investment company	100.00%	Panama
43.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands
44.	Piraeus Insurance - Reinsurance Broker Romania S.R.L.	Insurance and Reinsurance Brokerage	95.00%	Romania
45.	Olympic Commercial & Tourist Enterprises S.A.	Operating Leases - Rent-a-Car and long term rental of vehicles	94.00%	Greece

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a/a	Name of Company	Activity	% holding	Country
46.	Piraeus Rent Doo Beograd	Operating Leasing	100.00%	Serbia
47.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom
48.	Piraeus Leasing Doo Beograd	Financial Leasing	72.73%	Serbia
49.	Piraeus Capital Management S.A.	Venture Capital Fund	100.00%	Greece
50.	Estia Mortgage Finance III PLC	SPE for securitization of mortgage loans	-	United Kingdom
51.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	0.17%	Greece
52.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom
53.	Piraeus Wealth Management A.E.P.E.Y.	Wealth Management	65.00%	Greece
54.	Axia Finance II PLC	SPE for securitization of corporate loans	-	United Kingdom
55.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
56.	Piraeus Insurance Agency S.A.	Insurance Agency	95.00%	Greece
57.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom
58.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
59.	Axia III APC LTD	SPE for securitization of corporate loans	-	United Kingdom
60.	Praxis II APC LTD	SPE for securitization of consumer loans	-	United Kingdom
61.	R.E. Anodus LTD	Consultancy Serv. for Real Estate Develop. and Inv.	99.99%	Cyprus
62.	O.F. Investments Ltd	Investment company	100.00%	Cyprus
63.	Piraeus Equity Partners Ltd.	Holding Company	100.00%	Cyprus

Companies numbered 32, 47, 50, 52, 54, 55 and 57-60 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 34, 35 and 51, which are consolidated with ownership percentage of less than 50% are bank's subsidiaries due to the existence of control.

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.	Real estate, development/ tourist services	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	22.80%	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	29.22%	Greece
13.	Rebikat S.A.	Property Management	30.00%	Greece
14.	Abies S.A.	Property Management	30.00%	Greece
15.	ACT SERVICES S.A. (former Piraeus ATFS S.A.)	Accounting and tax consulting	49.00%	Greece
16.	Exodus S.A.	Information technology & software	50.10%	Greece

The company numbered 16 is included in the associate companies' portfolio, as Piraeus Bank S.A. owns 40.10% of the voting rights.

18 Assets held for sale

Assets held for sale include a property management company, 25% of which was disposed in the 9month period of 2010. The sale of the remaining 75% of the aforementioned company is in process.

19 Due to credit institutions

	30 September 2010	31 December 2009
Amounts due to Central Bank	14,650,000	6,750,000
Deposits from other banks	2,583,996	4,510,005
Repurchase agreement - credit institutions	1,250,892	1,977,698
Other obligations to banks	652,093	1,012,742
	19,136,981	14,250,445

The Hellenic Republic's credit rating downgrades from 2009 year-end and onwards, along with the subsequent negative impact to the rating of Greek banks (including Piraeus Bank), led to difficulty in accessing international interbank market ("Due to Credit Institutions" and "Interbank Repos"). These were substituted by "Due to European Central Bank" through Main Refinancing Operations with collaterals (MRO).

20 Liabilities at fair value through profit or loss

As at 30/9/2010 the Bank had open selling positions in bonds with fair value of € 733.9 million.

21 Due to customers

	30 September 2010	31 December 2009
Current and sight deposits	4,153,888	4,688,320
Savings account	3,471,317	4,040,112
Term deposits	16,538,813	16,757,973
Other accounts	145,165	228,021
Repurchase agreements	1,654	15,268
	24,310,837	25,729,695

22 Debt securities in issue

	30 September 2010	31 December 2009
ETBA bonds	126,547	153,057
Euro Commercial Paper (Short term securities)		
EUR	16,793	212,129
USD	45,860	175,203
GBP	-	15,162
	62,653	402,494
Euro Medium Term Note	30 September 2010	31 December 2009
€ 700 m. floating rate notes due 2010	432,210	447,371
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 10 m. floating rate notes due 2013	9,987	9,987
€ 650 m. floating rate notes due 2011	421,490	423,083
€ 5.05 m. floating rate notes due 2011	3,750	3,750
€ 50 m. floating rate notes due 2010	-	50,000
€ 750 m. floating rate notes due 2010	-	687,700
€ 20 m. floating rate notes due 2012	19,964	19,964
€ 10 m. fixed/ floating rate notes due 2010	-	3,212
€ 500 m. fixed rate notes due 2011	487,351	492,398
€ 500 m. fixed rate notes due 2012	469,089	469,593
€ 200 m. fixed rate notes due 2012	55,884	-
€ 200 m. fixed rate notes due 2013	27,126	-
Accrued interest and other expenses	9,384	19,724
	1,996,235	2,686,782
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	251,709	283,300
€ 1,250 m. floating rate notes due 2054	703,569	872,072
	955,278	1,155,372
Total debt securities in issue	3,140,713	4,397,704

Issuance under the Euro Commercial Paper and Euro Medium Term Note programs is undertaken through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank Group. Information concerning the new issues of debt securities during the 9month period of 2010, which have been mainly retained by the Bank, are presented below :

In February 2010 Piraeus Bank issued a € 200 million 2-year fixed rate senior bond. The bond was issued under Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bond pays a 4.0% fixed coupon and is listed on the Luxembourg Stock Exchange.

In February 2010 Piraeus Bank issued a € 200 million 3-year fixed rate senior bond. The bond was issued under Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bond pays a 4.5% fixed coupon and is listed on the Luxembourg Stock Exchange.

In April 2010 Piraeus Bank issued its 3-year floating rate senior bond in the amount of € 2,370 million. The bond was issued with the unconditional guarantee of the Hellenic Republic under Art. 2 of Law 3723/2008 through Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bond pays a floating rate coupon of 3M Euribor plus 400bps. The bond has been retained by Piraeus Bank.

In June 2010 Piraeus Bank issued its 3-year floating rate senior bond in the amount of € 2,206.5 million. The bond was issued with the unconditional guarantee of the Hellenic Republic under Art. 2 of Law 3723/2008 through Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bond pays a floating rate coupon of 3M Euribor plus 500bps. The bond has been retained by Piraeus Bank.

It should be noted that the third securitisation of mortgage loans in the amount of € 800 million, the first, second and third securitisation of corporate loans in the amount of € 1,750 million, € 900 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.

23 Hybrid capital and other borrowed funds

	30 September 2010	31 December 2009
Hybrid Capital (Tier I)		
€ 200 m. floating rate notes	158,636	159,036
Accrued interest and other expenses	760	716
	159,396	159,752
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	346,042	347,011
Accrued interest and other expenses	1,020	937
	347,062	347,948
Total hybrid capital and other borrowed funds	506,458	507,700

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

24 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Bank as at 30/9/2010, 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 30/9/2010 the Bank had the following capital commitments:

	30 September 2010	31 December 2009
Letters of guarantee	2,826,144	2,932,263
Letters of credit	74,018	44,466
Commitments to extent credit	18,003,731	15,754,537
	20,903,894	18,731,266

The balance of unused commitments to extend credit relates to credit commitments that will not be fulfilled immediately, can be cancelled at any time and in case that these commitments are fulfilled this will be carried out partially.

C) Assets pledged

	30 September 2010	31 December 2009
Trading securities	50,487	586,367
Investment securities	5,782,732	2,088,041
Securities held by the Bank	10,008,908	3,323,305
Loans and advances to customers	3,398,156	865,000
Debt securities - receivables	2,375,183	761,966
	21,615,466	7,624,680

In the "Securities held by the Bank" category, an amount of € 4,601 million refers to securities that had been issued with the unconditional guarantee of the Hellenic Republic and an amount of € 5,407 million refers to securities derived from the securitization of mortgage, consumer and corporate loans. 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 2010	31 December 2009
Up to 1 year	47,794	50,346
From 1 to 5 years	194,807	210,496
More than 5 years	393,490	447,631
	636,091	708,473

25 Share capital

During the 9month period of 2010 no change has been made at the Bank's share capital nor at the number of shares.

	Ordinary shares	Share premium	Treasury shares	Total
Opening balance at 1st January 2009	1,571,923	927,775	(167,319)	2,332,378
Share capital increase due to reinvestment of dividends	32,097	(36)	-	32,061
Issue of preference shares	370,000	-	-	370,000
Purchases of treasury shares	-	-	(4,119)	(4,119)
Sales of treasury shares	-	-	171,438	171,438
Balance at 31st December 2009	1,974,020	927,739	0	2,901,758
Balance at 30th September 2010	1,974,020	927,739	0	2,901,758

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	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1st January 2009	329,543,528	(12,523,754)	317,019,774
Share capital increase due to reinvestment of dividends	6,728,991	-	6,728,991
Issue of preference shares	77,568,134	-	77,568,134
Purchases of treasury shares	-	(757,222)	(757,222)
Sales of treasury shares	-	13,280,976	13,280,976
Balance at 31st December 2009	413,840,653	0	413,840,653
Balance at 30th September 2010	413,840,653	0	413,840,653

The Bank's share capital amounts to € 1,974,019,914.81, divided to 336,272,519 ordinary registered shares with voting rights and 77,568,134 preference shares without voting rights Law 3723/2008, of nominal value € 4.77 each.

The terms of the 77,568,134 preference shares, which were issued within the framework of article 1 of Law 3723/2008 "Liquidity Support of the Economy for mitigating the consequences of the international financial and credit crisis", are described in the annual financial statements of the year 2009.

Pursuant to the provisions of article 28, Law 3756/2009 (Gov. Gazette A' 53/31.3.2009) the acquisition of treasury shares is not permitted for so long as the Bank is subject to the provisions of the above mentioned Law 3723/2008. Nevertheless, it is noted that the Ordinary Shareholders General Meeting of the Bank on 3/4/2008 had resolved upon the acquisition by the Bank of up to 33,000,000 treasury shares through the Athens Stock Exchange, in accordance with the provisions of article 16, Cod Law 2190/1920, with an acquisition value per share ranging from € 4 (minimum) to € 40 (maximum). The aforementioned resolution lapsed on 3/4/2010.

The Shareholders General Meeting, which took place on 19/5/2010, resolved not to distribute any dividends to the common shareholders for the year 2009, according to the provisions (article 1 of Law 3723/2008 as in force, in conjunction with 20708/B/1175/23.4.2009 explanatory circular of Ministry of Finance) for the credit institutions participating in the greek economy liquidity support programme. The General Meeting also resolved upon the payment to the Greek State of the yield for the preference shares for the year 2009, which amounted to € 22.8 million and was paid on June 2010. The after tax yield of the preference shares for the year 2009 that amounts to € 18.0 million, has been deducted from equity as at 30/9/2010.

The accrued dividend of preference shares for the 9month of 2010, amounts to € 27.7 million. The after tax yield of the preference share for the 9month of 2010, amounts to € 21.3 million.

3rd Share option plan

In the context of the 3rd share option plan, which started in 2006 and expires in December 2010, no rights were exercised during the period 1/1-30/9/2010. The remaining 71,900 rights can be exercised until the expiration of the program.

26 Other reserves and retained earnings

	30 September 2010	31 December 2009
Legal reserve	68,995	68,995
Available for sale reserve	(304,232)	(148,415)
Other reserves	1,104	1,104
Total other reserves	(234,133)	(78,316)
Retained earnings	342,528	414,711
Total other reserves and retained earnings	108,395	336,395

Movements in reserves for the period were as follows:

	30 September 2010	31 December 2009
Legal reserve		
Opening balance for the period	68,995	57,038
Transfer from retained earnings	-	7,296
Absorptions	-	4,661
Closing balance for the period	68,995	68,995
Available for sale reserve		
Opening balance for the period	(148,415)	(149,715)
Gains/ (losses) from the valuation of available for sale bonds (note 14)	(158,463)	(28,940)
Gains/ (losses) from the valuation of available for sale shares and mutual funds (note 14)	(50,760)	21,124
Deferred income tax	48,190	7,370
Recycling of the accumulated fair value adjustment of disposed available for sale securities	5,987	(208)
Foreign exchange differences and other adjustments	(772)	1,953
Closing balance for the period	(304,232)	(148,415)

Piraeus Bank - 30 September 2010
Amounts in thousand euros (Unless otherwise stated)

	30 September 2010	31 December 2009
Retained earnings		
Opening balance for the period	414,711	383,021
Premium on equity instrument	(67,805)	-
Profit/ (loss) after tax for the period	13,628	145,939
Transfer to legal reserve	-	(7,296)
Prior year dividends of ordinary shares	-	(35,664)
Prior year dividends of preference shares	(18,006)	-
Loss from sales of treasury shares	-	(70,722)
Expenses on issuance of preference shares	-	(4,110)
Absorptions and other movements	-	3,543
Closing balance for the period	342,528	414,711

27 Related parties transactions

Related parties include a) Members of the Bank Board of Directors and key management personnel of the Bank b) close family and financially dependants (husbands, wives, children etc) of Board of Directors members and key management personnel c) companies having transactions with Piraeus Bank, 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 2010	31 December 2009
Loans	128,044	144,230
Deposits	42,542	36,502

Letters of guarantees and letters of credits to the members of the board of directors and to the key management personnel as at 30/9/2010 are € 3.1 million (31/12/2009: € 1.5 million). Letters of guarantees to subsidiaries as at 30/9/2010 are € 284 million (31/12/2009: € 91.3 million). The total income on loans to members of the board of directors and the key management personnel for the period 1/1 - 30/9/2010 is € 3.2 million (1/1-30/9/2009: € 3.7 million). The expense of deposits of the prementioned related parties for the period 1/1 - 30/9/2010 is € 0.6 million (1/1-30/9/2009: € 0.4 million).

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

	30 September 2010	30 September 2009
Director's remuneration		
Salaries and other remuneration	3,588	3,568
Termination benefits	3,491	1,474
	7,079	5,042

The aggregate provisions in respect of Members of the Board of Directors and key management personnel amount to € 30.3 million as at 30/9/2010 (31/12/2009: € 27.4 million). The full amount of the above provisions has been included in retirement benefit obligations.

Bank's balances from transactions to subsidiaries and associates and the relevant results are as follows:

I. Subsidiaries

	30 September 2010	31 December 2009
Assets		
Cash and Balances with Central Bank	27,639	2,480
Loans and advances to credit institutions	3,737,648	3,618,214
Loans and advances to customers	724,808	830,081
Other assets	217,304	168,932
Total	4,707,399	4,619,707

	30 September 2010	31 December 2009
Liabilities		
Due to credit institutions	897,943	482,809
Due to customers	539,381	652,605
Debt securities in issue	2,923,206	4,085,526
Hybrid capital and other borrowed funds	506,458	507,700
Other liabilities	56,151	33,643
Total	4,923,139	5,762,282

	1/1 - 30/9/2010	1/1 - 30/9/2009
Revenues		
Interest and similar income	121,332	163,213
Fee and commission income	11,122	11,623
Other operating income	1,739	1,361
Total	134,192	176,197

Expenses	1/1 - 30/9/2010	1/1 - 30/9/2009
Interest expense and similar charges	(135,748)	(123,574)
Fee and commission expense	(16,270)	(18,613)
Operating expenses	(33,895)	(33,807)
Total	(185,913)	(175,994)
II. Associates	30 September 2010	31 December 2009
Deposits	47,021	88,137
Loans and advances to customers	58,161	53,299
	1/1 - 30/9/2010	1/1 - 30/9/2009
Interest/ expense	(1,447)	(2,038)
Loan Interest/ income	1,514	3,137

28 Events subsequent to the end of the Interim period

On October 1st, 2010, the credit agencies Standard & Poor's και Fitch Ratings changed their outlook of Piraeus Bank's credit ratings following the withdrawal from the Bank's offer to buy the Greek Government's equity stake in Agricultural Bank of Greece and the Hellenic PostBank. Specifically, Standard & Poor's affirmed the Bank's ratings (BB / B /negative outlook), and removed them from CreditWatch with negative implications. Accordingly, Fitch Ratings affirmed Piraeus Bank's Individual rating at 'D' and removed it from Rating Watch Negative (RWN). At the same time, Fitch Ratings affirmed the Bank's ratings (BBB- / F3 /Negative outlook).

On October 29, 2010 the Board of Directors of Piraeus Bank announced its intention to proceed with a capital increase in cash via the offering of pre-emptive rights to existing shareholders, for approximately € 800 million, subject to shareholders' approval at the Extraordinary General Meetings of shareholders (EGMs). Analytical information is available on the Bank's corporate site (www.piraeusbank.gr).

The Bank has received underwriting commitments, subject to customary conditions, in respect of the full amount of the Rights Issue from Barclays Capital, Credit Suisse, Goldman Sachs International and Morgan Stanley, which will act as Joint Global Coordinators for the Rights Issue. The subscription price for the capital increase will be determined prior to the launch of the Rights Issue (expected to be in January 2011).

In order to effect the Rights Issue, the Bank has called extraordinary meetings of the ordinary and preferred shareholders of the company (collectively, the "EGMs"), in order to resolve upon (i) a capital increase by way of a Rights Issue, and (ii) a reduction of the par value of the ordinary shares of the Bank without increasing the number of shares outstanding.

At the same EGMs, the Bank also intends to seek shareholders' approval for the issuance of convertible bonds for up to € 250 million (CBL) with waiver of pre-emption rights, in order to further improve the financial flexibility of the Bank, and to increase the ability to strengthen its capital base as appropriate. The specific terms of any CBL offering will be set by the Board of Directors of the Bank prior to the launch of any such offering.

The EGM which took place on November 23, 2010 did not discuss nor resolve on the items of the agenda due to lack of the required quorum. The 1st Iterative Extraordinary General Meeting will be held on December 6, 2010 and in the event that the required quorum for the items of the agenda is not achieved, a 2nd Iterative Extraordinary General Meeting will take place on December 20, 2010.

Athens, November 25th, 2010

CHAIRMAN
OF THE BOARD OF DIRECTORS
and CHIEF EXECUTIVE OFFICER

MANAGING DIRECTOR

CHIEF FINANCIAL
OFFICER

HEAD
OF ACCOUNTING DEPARTMENT

MICHALIS G. SALLAS

ALEXANDROS ST. MANOS

GEORGE I. POULOPOULOS

GEORGE P. PETRIS