



## **PIRAEUS BANK GROUP**

# **Consolidated Interim Condensed Financial Information**

31 March 2010

According to the International Financial  
Reporting Standards

The attached consolidated interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on May 27th, 2010 and it is available on the web site of Piraeus Bank at [www.piraeusbank.gr](http://www.piraeusbank.gr)

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



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**CONSOLIDATED INTERIM INCOME STATEMENT**

	Note	Period from 1 January to	
		31 March 2010	31 March 2009
Interest and similar income		599,016	879,491
Interest expense and similar charges		(305,816)	(624,238)
<b>NET INTEREST INCOME</b>		<b>293,200</b>	<b>255,252</b>
Fee and commission income		57,217	58,706
Fee and commission expense		(9,376)	(8,731)
<b>NET FEE AND COMMISSION INCOME</b>		<b>47,841</b>	<b>49,975</b>
Dividend income		434	1,088
Net trading income	6	(18,207)	15,776
Net income from financial instruments designated at fair value through profit or loss		(350)	(3,019)
Gains/ (Losses) from investment securities		(371)	(691)
Other operating income		21,995	28,420
<b>TOTAL NET INCOME</b>		<b>344,543</b>	<b>346,801</b>
Staff costs		(103,961)	(104,165)
Administrative expenses		(76,247)	(74,331)
Depreciation and amortisation		(25,080)	(21,888)
Gains/ (Losses) from sale of assets		629	1,049
<b>TOTAL OPERATING EXPENSES BEFORE PROVISIONS</b>		<b>(204,660)</b>	<b>(199,335)</b>
<b>PROFIT BEFORE PROVISIONS AND INCOME TAX</b>		<b>139,883</b>	<b>147,466</b>
Impairment losses on loans and receivables	10	(133,132)	(80,544)
Other provisions		(460)	(241)
Share of profit of associates		1,725	1,114
<b>PROFIT BEFORE INCOME TAX</b>		<b>8,016</b>	<b>67,795</b>
Tax for the year	7	(1,651)	(15,316)
<b>PROFIT AFTER TAX FOR THE PERIOD</b>		<b>6,365</b>	<b>52,479</b>
Profit for the period attributable to equity holders of the parent entity		6,768	51,836
Non controlling interest		(404)	643
<b>Earnings/ (Losses) per share to equity holders of the parent entity</b>			
-Basic	8	(0.0008)	0.1605
-Diluted	8	(0.0008)	0.1605

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	31 March 2010	31 December 2009
<b>ASSETS</b>			
Cash and balances with central banks		1,869,442	2,977,561
Loans and advances to credit institutions		1,502,699	992,325
Derivative financial instruments - assets		202,601	171,467
Trading securities		1,545,330	1,393,237
Financial instruments at fair value through profit or loss		114,158	162,817
Loans and advances to customers (net of provisions)	10	37,735,735	37,688,258
Investment securities			
- Available for sale securities	11	3,378,762	2,338,460
- Held to maturity		3,365,268	3,363,535
Debt securities - receivables		1,506,119	1,183,006
Investments in associated undertakings		186,205	184,023
Intangible fixed assets		344,508	339,160
Property, plant and equipment		987,793	987,271
Investment property		827,278	819,894
Assets held for sale		86,775	101,771
Deferred tax assets		332,298	282,652
Inventories property		213,249	206,015
Other assets		1,021,890	1,088,338
<b>TOTAL ASSETS</b>		<b>55,220,109</b>	<b>54,279,791</b>
<b>LIABILITIES</b>			
Due to credit institutions		16,850,086	14,432,854
Derivative financial instruments - liabilities		203,837	162,023
Due to customers	14	29,543,685	30,063,606
Debt securities in issue	15	3,309,006	4,206,276
Hybrid capital and other borrowed funds	16	510,227	511,278
Retirement benefit obligations		209,490	202,461
Other provisions		18,360	18,089
Current income tax liabilities		35,341	71,030
Deferred tax liabilities		166,692	140,058
Other liabilities		794,832	857,882
<b>TOTAL LIABILITIES</b>		<b>51,641,558</b>	<b>50,665,556</b>
<b>EQUITY</b>			
Share capital	18	1,974,020	1,974,020
Share premium	18	927,739	927,739
Less: Treasury shares	18	(3)	(123)
Other reserves	19	(272,249)	(218,195)
Retained earnings	19	781,412	782,619
<b>Capital and reserves attributable to equity holders of the parent entity</b>		<b>3,410,919</b>	<b>3,466,060</b>
Non controlling interest		167,632	148,175
<b>TOTAL EQUITY</b>		<b>3,578,551</b>	<b>3,614,235</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>55,220,109</b>	<b>54,279,791</b>

**CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME**

	Note	Period from 1 January to	
		31 March 2010	31 March 2009
<b>PROFIT AFTER TAX FOR THE PERIOD (A)</b>		<b>6,365</b>	<b>52,479</b>
<b>Other comprehensive income, net of tax:</b>			
Net change in available for sale reserve	9	(50,109)	(5,156)
Change in currency translation reserve	9	(1,840)	(9,655)
<b>Other comprehensive income, net of tax for the period (B)</b>	9	<b>(51,949)</b>	<b>(14,811)</b>
<b>Total comprehensive income, net of tax for the period (A+B)</b>		<b>(45,584)</b>	<b>37,668</b>
- Attributable to equity holders of the parent entity		(45,845)	36,265
- Non controlling interest		261	1,403

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

	Note	Attributable to the owners of the parent					Minority interests	TOTAL
		Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings		
<b>Opening balance as at 1 January 2009</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(167,321)</b>	<b>(177,586)</b>	<b>721,359</b>	<b>149,051</b>	<b>3,025,200</b>
Other comprehensive income for the period, net of tax	9				(15,571)		760	(14,811)
Profit after tax for the period 1/1/2009 - 31/3/2009	19					51,836	643	52,479
<b>Total recognised income for the period 1/1/2009 - 31/3/2009</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(15,571)</b>	<b>51,836</b>	<b>1,403</b>	<b>37,668</b>
Purchases of treasury shares	18			(4,119)				(4,119)
Transfer between other reserves and retained earnings	19				5,661	(5,661)		0
Acquisitions, absorptions and movement in participating interest							(1,082)	(1,082)
Other movements					888	(1,374)	520	34
<b>Balance as at 31 March 2009</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(171,440)</b>	<b>(186,608)</b>	<b>766,160</b>	<b>149,891</b>	<b>3,057,700</b>
<b>Opening balance as at 1 April 2009</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(171,440)</b>	<b>(186,608)</b>	<b>766,160</b>	<b>149,891</b>	<b>3,057,700</b>
Other comprehensive income for the period, net of tax					(47,828)		(1,049)	(48,877)
Profit after tax for the period 1/4/2009 - 31/12/2009	19					149,913	3,237	153,150
<b>Total recognised income for the period 1/4/2009 - 31/12/2009</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(47,828)</b>	<b>149,913</b>	<b>2,188</b>	<b>104,273</b>
Prior year dividends						(35,664)	(2,207)	(37,871)
Share capital increase due to reinvestment of dividends		32,097	(36)					32,061
Issue of preference shares		370,000				(4,110)		365,890
Purchases of treasury shares	18			(121)				(121)
Sale of treasury shares	18, 19			171,438		(70,722)		100,716
Transfer between other reserves and retained earnings	19				15,260	(15,260)		0
Acquisitions, disposals, absorptions and movement in participating interest					1,132	(7,935)	(1,674)	(8,477)
Other movements					(151)	237	(24)	62
<b>Balance as at 31 December 2009</b>		<b>1,974,020</b>	<b>927,739</b>	<b>(123)</b>	<b>(218,195)</b>	<b>782,619</b>	<b>148,175</b>	<b>3,614,235</b>
<b>Opening balance as at 1 January 2010</b>		<b>1,974,020</b>	<b>927,739</b>	<b>(123)</b>	<b>(218,195)</b>	<b>782,619</b>	<b>148,175</b>	<b>3,614,235</b>
Other comprehensive income for the period, net of tax	9				(52,613)		664	(51,949)
Profit after tax for the period 1/1/2010 - 31/3/2010	19					6,768	(403)	6,365
<b>Total recognised income for the period 1/1/2010 - 31/3/2010</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(52,613)</b>	<b>6,768</b>	<b>261</b>	<b>(45,583)</b>
Sale of treasury shares	18, 19			120		(2)		118
Transfer between other reserves and retained earnings	19				(1,489)	1,489		0
Acquisitions and movement in participating interest					(78)	(8,995)	19,037	9,964
Other movements					125	(467)	159	(183)
<b>Balance as at 31 March 2010</b>		<b>1,974,020</b>	<b>927,739</b>	<b>(3)</b>	<b>(272,249)</b>	<b>781,412</b>	<b>167,632</b>	<b>3,578,551</b>

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

	Note	From January 1st to	
		31 March 2010	31 March 2009
<i>Cash flows from operating activities</i>			
Profit before tax		8,016	67,795
<i>Adjustments to profit before tax</i>			
Add: impairment for loans and advances and other provisions	10	133,592	80,784
Add: depreciation and amortisation		25,080	21,888
Add: retirement benefits		9,855	10,644
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		46,492	(25,334)
(Gains)/ losses from investing activities		<u>(6,015)</u>	<u>(2,663)</u>
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>		<b>217,021</b>	<b>153,115</b>
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		267,818	149,784
Net (increase)/ decrease in treasury bills and other eligible bills		-	(3,480)
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		1,627	(584,615)
Net (increase)/ decrease in debt securities - receivables		(323,113)	(10,639)
Net (increase)/ decrease in loans and advances to credit institutions		(469,097)	127,270
Net (increase)/ decrease in loans and advances to customers		(187,338)	417,561
Net (increase)/ decrease in other assets		39,480	(230,256)
Net increase/ (decrease) in amounts due to credit Institutions		2,417,233	(133,868)
Net increase/ (decrease) in amounts due to customers		(519,920)	413,972
Net increase/ (decrease) in other liabilities		<u>(75,179)</u>	<u>(161,173)</u>
<i>Net cash flows from operating activities before income tax payment</i>		<b>1,368,532</b>	<b>137,671</b>
Income tax paid		<u>(8,486)</u>	<u>(1,126)</u>
<b>Net cash inflow/ (outflow) from operating activities</b>		<b>1,360,046</b>	<b>136,545</b>
<i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment		(70,232)	(50,600)
Sales of property, plant and equipment		34,963	8,864
Purchases of intangible assets		(4,220)	(3,000)
Purchases of held for sale		(5,134)	-
Sales of held for sale		20,839	-
Purchases of available for sale securities		(1,115,192)	(22,915)
Disposals of available for sale securities		15,863	32,278
Purchase of held to maturity securities		(6,584)	(118,318)
Maturity of held to maturity securities		7,233	13,408
Acquisition of subsidiaries (net of cash & cash equivalents acquired)	21	(115)	(3,571)
Acquisition of associates	21	-	(14,398)
Dividends receipts		<u>42</u>	<u>303</u>
<b>Net cash inflow/ (outflow) from investing activities</b>		<b>(1,122,537)</b>	<b>(157,950)</b>
<i>Cash flows from financing activities</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(898,321)	(1,177,677)
Reinvestment/ Payment of prior year dividends		(31)	-
Purchases of treasury shares		-	(4,119)
Sales of treasury shares		118	-
Other cashflows from financing activities		<u>23,374</u>	<u>5,811</u>
<b>Net cash inflow/ (outflow) from financing activities</b>		<b>(874,861)</b>	<b>(1,175,985)</b>
Foreign exchange differences on cash and cash equivalents		<u>(20,801)</u>	<u>(10,007)</u>
<b>Net increase/ (decrease) in cash and cash equivalents of the period</b>		<b>(658,152)</b>	<b>(1,207,397)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3,389,025</b>	<b>5,009,265</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>2,730,872</b>	<b>3,801,868</b>

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

## 1 General information about the Group

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

Piraeus Bank (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern Europe, Egypt, the U.S.A., as well as Western Europe. The Group employs in total 13,442 people.

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices such as FTSE/ATHEX (Banks, 20, 140, International), FTSE/ATHEX-CSE Banking Index, GT-30, MSCI (World, Europe, EMU, EAFE, Greece), Bloomberg (BE500, BEBanks), Euro Stoxx, Euro Stoxx Banks and FTSE4Good Index Series.

## 2 General accounting policies of the Group

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

Piraeus Bank Group 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 following amendments to standards and interpretations are effective in 2010, but currently, they do not have a significant effect on the Group's activities:

IAS 31, 'Interests in joint ventures'  
IFRS 2 (Amendment), 'Share-based payment'  
IAS 39 (Amendment), 'Financial instruments: Recognition and measurement'  
IFRIC 17, 'Distributions of Non-cash Assets to Owners'.

The amounts of the consolidated interim condensed financial information attached are expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand.

## 3 Basis of presentation of the consolidated interim condensed financial information

The consolidated interim condensed financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the Group's annual consolidated financial statements for the year ended 31 December 2009.

## 4 Critical accounting estimates and judgements

The Group's estimates and assumptions affect the reported amounts of assets and liabilities within the next financial year. 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.

### 1. Impairment losses on loans and advances

The Group examines, at every reporting period, whether trigger for impairment exists for its loans or loans 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 to make estimates. Assumptions that affect the reported fair values of financial instruments are examined regularly.

### 3. Impairment of available for sale investments

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



#### 4. Securitisations and special purpose entities

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

#### 5. Held to maturity investments

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

#### 6. Income taxes

The Group is subject to income taxes in the countries in which operates. This requires estimates in determining the provision for income taxes and therefore the final income tax determination is uncertain during the fiscal year. Where the final income tax expense is different from the amounts that were 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 Group has defined the following business segments:

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

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

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

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

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

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

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

	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group
<b>1/1 - 31/3/2010</b>							
Net interest income	220,870	65,408	(1,083)	28,796	(20,791)	-	293,200
Net interest income from other business segm.	15,978	2,479	710	(3)	(22,006)	2,842	0
<b>Net interest income</b>	<b>236,848</b>	<b>67,887</b>	<b>(373)</b>	<b>28,793</b>	<b>(42,796)</b>	<b>2,842</b>	<b>293,200</b>
Net commission income	32,480	4,385	1,780	2,602	6,595	-	47,841
Net commission income from other business segm.	1,332	159	1,205	487	(2,490)	(693)	0
<b>Net commission income</b>	<b>33,812</b>	<b>4,544</b>	<b>2,985</b>	<b>3,089</b>	<b>4,105</b>	<b>(693)</b>	<b>47,841</b>
Net revenues	314,733	82,602	5,157	526	(58,476)	-	344,543
Net revenues from other business segments	(9,111)	(2,591)	(1,895)	(484)	30,971	(16,889)	0
<b>Total net revenues</b>	<b>305,622</b>	<b>80,011</b>	<b>3,262</b>	<b>42</b>	<b>(27,505)</b>	<b>(16,889)</b>	<b>344,543</b>
<b>Segment results</b>	<b>919</b>	<b>10,974</b>	<b>1,094</b>	<b>(11,906)</b>	<b>5,211</b>	<b>-</b>	<b>6,291</b>
Share of profit of associates							1,725
<b>Profit before tax</b>							<b>8,016</b>
Income tax expense							(1,651)
<b>Profit after tax</b>							<b>6,365</b>
<b>Other segment items</b>							
Capital expenditure	46,718	9,125	213	303	18,092	-	74,451
Depreciation and amortisation	14,504	2,515	157	172	7,733	-	25,080
Impairment charge - loans	129,297	2,971	-	-	863	-	133,132

**Piraeus Bank Group - 31 March 2010**  
Amounts in thousand euros (Unless otherwise stated)

<u>1/1 - 31/3/2009</u>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Asset Management &amp; Treasury</b>	<b>Other business segments</b>	<b>Eliminations</b>	<b>Group</b>
Net interest income	231,599	62,542	908	22,528	(62,324)	-	255,252
Net interest income from other business segm.	(30,505)	(4,751)	(742)	597	40,571	(5,170)	0
<b>Net interest income</b>	<b>201,094</b>	<b>57,792</b>	<b>166</b>	<b>23,125</b>	<b>(21,754)</b>	<b>(5,170)</b>	<b>255,252</b>
Net commission income	29,815	6,108	3,403	8,241	2,408	-	49,975
Net commission income from other business segm.	(2,530)	(412)	(822)	(673)	1,210	3,227	0
<b>Net commission income</b>	<b>27,285</b>	<b>5,696</b>	<b>2,581</b>	<b>7,568</b>	<b>3,618</b>	<b>3,227</b>	<b>49,975</b>
Net revenues	291,055	77,634	5,242	13,493	(40,623)	-	346,801
Net revenues from other business segments	(26,459)	(5,112)	(1,564)	(76)	47,430	(14,218)	0
<b>Net revenues</b>	<b>264,596</b>	<b>72,521</b>	<b>3,678</b>	<b>13,417</b>	<b>6,807</b>	<b>(14,218)</b>	<b>346,801</b>
<b>Segment results</b>	<b>46,674</b>	<b>22,284</b>	<b>1,038</b>	<b>4,293</b>	<b>(7,607)</b>	<b>-</b>	<b>66,682</b>
Share of profit of associates							1,114
<b>Profit before tax</b>							<b>67,795</b>
Income tax expense							(15,316)
<b>Profit after tax</b>							<b>52,479</b>
<b>Other segment items</b>							
Capital expenditure	39,741	3,938	22	30	9,869	-	53,601
Depreciation and amortisation	11,991	2,676	175	113	6,932	-	21,888
Impairment charge - loans	72,939	5,738	-	-	1,867	-	80,544
	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Asset Management &amp; Treasury</b>	<b>Other business segments</b>	<b>Eliminations</b>	<b>Group</b>
<b>At 31 March 2010</b>							
Segment assets	28,521,541	11,445,609	161,694	11,612,895	3,478,370	-	55,220,109
Segment liabilities	24,349,440	1,324,552	79,036	21,175,258	4,713,272	-	51,641,558
<b>At 31 December 2009</b>							
Segment assets	28,451,203	11,392,084	248,006	12,604,338	1,584,160	-	54,279,791
Segment liabilities	24,348,527	1,428,813	167,678	19,126,057	5,594,480	-	50,665,555

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

Net interest income, net commission income and net revenues from other business segments include net interest income, net commission income and net revenues derived from transactions between business segments. The mentioned intercompany transactions are realised under normal commercial terms.

## 6 Net trading income

Net trading income amounts to loss of € 18.2 million for the 3 month period of 2010 comparing to gain of € 15.8 million for the 3 month period of 2009, due to losses from transactions of bonds.

## 7 Income tax expense

	<b>1/1 - 31/3/2010</b>	<b>1/1 - 31/3/2009</b>
Current Tax	(6,229)	(6,274)
Deferred tax	5,047	(8,180)
Tax provisions	(469)	(862)
	<b>(1,651)</b>	<b>(15,316)</b>

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%. For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the fiscal years of 2009 and 2010 (Bulgaria: 10%, Romania: 16%, U.S.A.: 35%, Serbia: 10%, Ukraine: 25%, Egypt: 20%, Cyprus: 10%, Albania: 10% and United Kingdom: 28%).

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2008 have been finalized. The unaudited tax years of the subsidiaries and associates are included in note 13. For the unaudited tax years, a provision has been raised according to International Financial Reporting Standards (IFRS).

## 8 Earnings/ (Losses) per share

Basic earnings/ (losses) per share are calculated by dividing the net profit/ (loss) attributable to common shareholders of the parent by the weighted average number of common shares in issue during the period, excluding the average number of common shares purchased by the Group 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.

Basic earnings/ (losses) per share	1/1-31/3/2010	1/1-31/3/2009
Net profit/ (loss) attributable to shareholders of the parent	6,768	51,836
Less: Accrued dividends of preference shares	(7,025)	-
Net profit/ (loss) attributable to common shareholders of the parent	(256)	51,836
Weighted average number of shares in issue	336,271,878	322,905,289
Basic earnings/ (losses) per share (in euro)	(0.0008)	0.1605

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 1/1-31/3/2010 did not exceed the option's exercise price. Consequently, the diluted earnings/ (losses) per share for the period 1/1-31/3/2010 and the period 1/1-31/3/2009 are equal with the basic earnings/ (losses) per share.

According to the requirements of IAS 33, the weighted average number of common shares has been adjusted for the period 1/1-31/3/2009 by a 1.020419 factor, in order to adjust earnings per share (basic and diluted) to the share capital increase performed through reinvestment of dividend that took place during June 2009 with the issue of 6,728,991 new common shares of nominal value of € 4.77 each.

## 9 Analysis of other comprehensive income

1/1 - 31/3/2010	Before-Tax amount	Tax	Net-of-Tax amount
Net change in available for sale reserve	(65,647)	15,538	(50,109)
Change in currency translation reserve	(1,840)	-	(1,840)
<b>Other Comprehensive Income</b>	<b>(67,487)</b>	<b>15,538</b>	<b>(51,949)</b>
1/1 - 31/3/2009	Before-Tax amount	Tax	Net-of-Tax amount
Net change in available for sale reserve	(5,819)	663	(5,156)
Change in currency translation reserve	(9,655)	-	(9,655)
<b>Other Comprehensive Income</b>	<b>(15,474)</b>	<b>663</b>	<b>(14,811)</b>

## 10 Loans and advances to customers

Loans to individuals	31 March 2010	31 December 2009
Mortgages	6,719,916	6,658,835
Consumer/ personal and other loans	3,994,184	4,109,863
Credit cards	853,359	838,919
	<b>11,567,460</b>	<b>11,607,617</b>
<b>Loans to corporate entities</b>	<b>27,266,908</b>	<b>27,075,612</b>
<b>Total loans and advances to customers</b>	<b>38,834,367</b>	<b>38,683,229</b>
Less: Allowance for losses (impairment) on loans and advances to customers	(1,098,633)	(994,970)
<b>Total loans and advances to customers (less allowances for losses)</b>	<b>37,735,735</b>	<b>37,688,258</b>

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

	Loans to individuals	Loans to corporate entities	Total
<b>Balance at 1/1/2009</b>	<b>322,341</b>	<b>380,646</b>	<b>702,987</b>
Charge for the period	64,400	9,990	74,390
Loans written-off	(21,907)	(802)	(22,709)
Foreign exchange differences	(2,148)	(1,772)	(3,920)
<b>Balance at end of the period 31/3/2009</b>	<b>362,686</b>	<b>388,062</b>	<b>750,747</b>
<b>Balance at 1/4/2009</b>	<b>362,686</b>	<b>388,062</b>	<b>750,748</b>
Charge for the period	196,526	188,296	384,822
Loans written-off	(65,171)	(69,227)	(134,398)
Foreign exchange differences	(1,686)	(4,516)	(6,202)
<b>Balance at end of year 31/12/2009</b>	<b>492,355</b>	<b>502,615</b>	<b>994,970</b>

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	Loans to individuals	Loans to corporate entities	Total
<b>Balance at 1/1/2010</b>	<b>492,355</b>	<b>502,615</b>	<b>994,970</b>
Charge for the period	51,962	75,523	127,485
Loans written-off	(18,000)	(18,095)	(36,096)
Foreign exchange differences	4,770	7,503	12,274
<b>Balance at end of the period 31/3/2010</b>	<b>531,087</b>	<b>567,546</b>	<b>1,098,633</b>

The charge for the 3 month period of 2010 amount of € 133.1 million (3 month period 2009: € 80.5 million) in the income statement includes an amount of € 5.7 million (3 month period 2009: € 6.2 million) which relates to impairment of other receivables and insurance expense for covering credit risk.

## 11 Available for sale securities

The increase in the available for sales securities to € 3,379 million at 31/3/2010 from € 2,338 million at 31/12/2009 is due to purchases of Greek Government bonds.

## 12 Reclassification of financial assets

Investment portfolio on 31/3/2010 includes shares and bonds, which have been reclassified on 1/7/2008 and 1/10/2008 respectively, in accordance with the amendments of IAS 39 and IFRS 7. Specifically, the "Available for sale securities" portfolio as at 31/3/2010 includes shares and mutual funds with fair value of € 34.5 million, which were reclassified from the "Trading securities" on 1/7/2008. The revaluation loss of € 1.1 million for the period 1/1-31/3/2010 has been recognized in the "Available for sale reserve". The "Available for sale securities" portfolio as at 31/3/2010 also includes bonds with fair value of € 191.0 million which were reclassified from the "Trading securities" on 1/10/2008. The revaluation loss of € 7.5 million for the period 1/1-31/3/2010 has been recognized in the "Available for sale reserve". No gains or losses from the sale of reclassified bonds and shares have been recognized in the Income Statement for the period 1/1 - 31/3/2010.

"Held to maturity" portfolio includes bonds with fair value of € 696.3 million as at 31/3/2010 (amortized cost of € 859.6 million), which were reclassified on 1/10/2008, from "Trading securities" and "Available for sale securities". If these bonds had not been reclassified, a revaluation loss of € 33.0 million would have been recognized in "Net trading Income" and a revaluation loss of € 9.8 million would have been recognized in the "Available for sale reserve" for the period 1/1-31/3/2010.

"Debt securities - receivables" include corporate bonds with fair value of € 34.8 million as at 31/3/2010 (amortized cost of € 33.8 million) and "Loans and advances to credit institutions" include bank bonds with fair value of € 25.1 million as at 31/3/2010 (amortized cost of € 22.7 million) which were reclassified on 1/10/2008 from the "Available for sale securities". If these bonds had not been reclassified, a revaluation gain of € 2.2 million would have been recognized in the "Available for sale reserve" for the period 1/1-31/3/2010.

## 13 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

### A) Subsidiaries companies (full consolidation method)

a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Marathon Banking Corporation	Banking Activities	91.03%	U.S.A	2009
2.	Tirana Bank I.B.C. S.A.	Banking Activities	96.71%	Albania	2009
3.	Piraeus Bank Romania S.A.	Banking Activities	100.00%	Romania	2007-2009
4.	Piraeus Bank Beograd A.D.	Banking Activities	100.00%	Serbia	2006-2009
5.	Piraeus Bank Bulgaria A.D.	Banking Activities	99.98%	Bulgaria	2008-2009
6.	Piraeus Bank Egypt S.A.E.	Banking Activities	97.51%	Egypt	2003-2009
7.	JSC Piraeus Bank ICB	Banking Activities	99.96%	Ukraine	2008-2009
8.	Piraeus Bank Cyprus LTD	Banking Activities	100.00%	Cyprus	2006-2009
9.	Piraeus Asset Management Europe S.A.	Mutual Funds Management	100.00%	Luxemburg	-
10.	Piraeus Leasing Romania S.R.L.	Finance Leases	100.00%	Romania	2003-2009
11.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and Reinsurance Brokerage	100.00%	Greece	2007-2009
12.	Tirana Leasing S.A.	Finance Leases	100.00%	Albania	2009
13.	Piraeus Securities S.A.	Stock Exchange Operations	100.00%	Greece	2006-2009
14.	Piraeus Group Capital LTD	Debt Securities Issue	100.00%	United Kingdom	-
15.	Piraeus Leasing Bulgaria EAD.	Finance Leases	100.00%	Bulgaria	2008-2009
16.	Piraeus Auto Leasing Bulgaria EAD.	Auto Leases	100.00%	Bulgaria	2008-2009
17.	Piraeus Group Finance P.L.C.	Debt Securities Issue	100.00%	United Kingdom	2009
18.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2008-2009
19.	Piraeus Multifin S.A.	Motor vehicles trading	100.00%	Greece	2007-2009
20.	Picar S.A.	City Link Areas Management	100.00%	Greece	2007-2009
21.	Bulfin S.A.	Property Management	100.00%	Bulgaria	2008-2009
22.	Piraeus ATFS S.A.	Accounting and tax consulting	100.00%	Greece	2007-2009
23.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece	2008-2009
24.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece	2007-2009
25.	Exodus S.A.	Information technology & software	50.10%	Greece	2008-2009
26.	Komotini Real Estate Development S.A.	Property Management	100.00%	Greece	2007-2009
27.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2008-2009

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a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
28.	ND Development S.A.	Property Management	100.00%	Greece	2007-2009
29.	Property Horizon S.A.	Property Management	100.00%	Greece	2007-2009
30.	ETVA Industrial Parks S.A.	Development/ Management of Industrial Areas	65.00%	Greece	2006-2009
31.	Piraeus Property S.A.	Property Management	100.00%	Greece	2006-2009
32.	Piraeus Development S.A.	Property Management	100.00%	Greece	2006-2009
33.	Piraeus Asset Management S.A.	Mutual Funds Management	100.00%	Greece	2009
34.	Piraeus Buildings S.A.	Property Development	100.00%	Greece	2006-2009
35.	Piraeus Developer S.A.	Property Management	100.00%	Greece	2006-2009
36.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
37.	Euroinvestment & Finance Public LTD	Asset Management, real estate operations	90.86%	Cyprus	2003-2009
38.	Lakkos Mikelli Real Estate LTD	Property Management	50.66%	Cyprus	2005-2009
39.	Philokimatiki Public LTD	Land and property development	53.29%	Cyprus	2005-2009
40.	Philokimatiki Ergoliptiki LTD	Construction company	53.29%	Cyprus	2005-2009
41.	New Evolution S.A.	Property, Tourism & Development Company	100.00%	Greece	2005-2009
42.	Imperial Stockbrokers Limited	Stock Exchange Operations	100.00%	Cyprus	2003-2009
43.	Imperial Eurobrokers Limited	Stock Exchange Operations	100.00%	Cyprus	2003-2009
44.	EMF Investors Limited	Investment company	100.00%	Cyprus	2003-2009
45.	Euroinvestment Mutual Funds Limited	Mutual Funds Management	100.00%	Cyprus	2003-2009
46.	Bull Fund Limited	Investment company	100.00%	Cyprus	2003-2009
47.	Good Works Energy Photovoltaics S.A.	Construction & Operation PV Solar Projects	33.15%	Greece	2005-2009
48.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2005-2009
49.	New Up Dating Development Real Estate and Tourism S.A.	Property, Tourism & Development Company	100.00%	Greece	2005-2009
50.	Sunholdings Properties Company LTD	Land and property development	26.65%	Cyprus	2005-2009
51.	Piraeus Cards S.A.	Financial services and consultancy	100.00%	Greece	2008-2009
52.	Polytropon Properties Limited	Land and property development	39.97%	Cyprus	2006-2009
53.	Shinefocus Limited	Land and property development	53.29%	Cyprus	2003-2009
54.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
55.	Maples Invest & Holding S.A.	Investment company	100.00%	British Virgin Islands	-
56.	Margetson Invest & Finance S.A.	Investment company	100.00%	British Virgin Islands	-
57.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
58.	Piraeus Insurance Brokerage EOOD	Insurance Brokerage	99.98%	Bulgaria	2007-2009
59.	SSIF Piraeus Securities Romania S.A.	Stock Exchange Operations	99.33%	Romania	2007-2009
60.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
61.	Phoenix Kato Asset Management Co.	Property Administration	87.75%	Egypt	2005-2009
62.	Piraeus Egypt Leasing Co.	Finance Leases	97.47%	Egypt	2007-2009
63.	Piraeus Egypt for Securities Brokerage Co.	Stock Exchange Operations	97.31%	Egypt	2007-2009
64.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and Reinsurance Brokerage	100.00%	Romania	2009
65.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007-2009
66.	Piraeus Leases S.A.	Finance Leases	100.00%	Greece	2007-2009
67.	Iapetos Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007-2009
68.	Phoebe Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007-2009
69.	Orion Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007-2009
70.	Astraios Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007-2009
71.	Multicollection Romania S.R.L.	Assessment and collection of commercial debts	51.00%	Romania	2006-2009
72.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2007-2009
73.	Olympic Commercial & Tourist Enterprises S.A.	Oper. Leases- Rent-a-Car and long term rental of vehicl.	59.79%	Greece	2009
74.	Piraeus Rent Doo Beograd	Operating Leasing	100.00%	Serbia	2007-2009
75.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
76.	Piraeus Leasing Doo Beograd	Financial Leasing	100.00%	Serbia	2007-2009
77.	Piraeus Real Estate Consultants Doo	Construction company	100.00%	Serbia	2008-2009
78.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2009
79.	Piraeus Real Estate Egypt LLC	Construction company	99.80%	Egypt	2007-2009
80.	Piraeus Bank Egypt Investment Company	Investment company	97.31%	Egypt	2007-2009
81.	Piraeus Best Leasing Bulgaria EAD	Auto Leasing	99.98%	Bulgaria	2007-2009
82.	Piraeus Insurance Agency S.A.	Insurance Agency	100.00%	Greece	2007-2009
83.	Piraeus Capital Management S.A.	Venture Capital Fund	100.00%	Greece	2008-2009
84.	Estia Mortgage Finance III PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
85.	Piraeus Insurance Brokerage Egypt	Insurance Brokerage	95.44%	Egypt	2008-2009
86.	Integrated Storage System Co.	Warehouse & Mail Distribution Management	96.42%	Egypt	2004-2009
87.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
88.	Piraeus Wealth Management A.E.P.E.Y.	Wealth Management	65.00%	Greece	2008-2009
89.	Axia Finance II PLC	SPE for securitization of corporate loans	-	United Kingdom	-
90.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
91.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
92.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
93.	Gaia Lease PLC	SPE for securitization of finance leases	-	United Kingdom	-
94.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
95.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-

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a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
96.	PROSPECT N.E.P.A.	Yachting Management	100.00%	Greece	2009
97.	R.E Anodus LTD	Consultancy Serv. for Real Estate Develop. and Inv.	99.99%	Cyprus	2009
98.	Erechtheas Investments & Holdings S.A.	Property Management	100.00%	Greece	2007-2009
99.	Solum Ltd Liability Co.	Property Management	99.99%	Ukraine	2009
100.	Piraeus (Cyprus) Insurance Brokerage Ltd	Insurance Brokerage	100.00%	Cyprus	2009
101.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	-

Companies numbered 36, 75, 84, 87, and 89-95 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 47, 50, 52 and 67-70, which are mentioned above are shown with percentages less than 50%, are subsidiaries due to control existence.

**B) Associate companies (equity accounting method)**

a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	CRETE SCIENT. & TECH. PARK MANAG. & DEV. CO. S.A.	Scientific and technology park management	30.45%	Greece	2000-2009
2.	"EVROS" DEVELOPMENT COMPANY S.A.	European community programs management	30.00%	Greece	2000-2009
3.	DELPHI ADVANCED RESEARCH TECHNOLOGIES LTD	Information technology services	25.00%	Cyprus	2006-2009
4.	PROJECT ON LINE S.A.	Information technology & software	40.00%	Greece	2007-2009
5.	ALEXANDRIA FOR DEVELOPMENT AND INVESTMENT	Investment company	21.45%	Egypt	2008-2009
6.	NILE SHOES COMPANY	Footwear Seller- Manufacturer	38.35%	Egypt	2003-2009
7.	APE COMMERCIAL PROPERTY REAL ESTATE TOURIST AND DEVELOPMENT S.A.	Real estate, development/ tourist services	27.80%	Greece	2008-2009
8.	APE FIXED ASSETS REAL ESTATE TOURIST AND DEVELOPMENT S.A.	Real estate, development/ tourist services	27.80%	Greece	2006-2009
9.	TRIERIS REAL ESTATE LTD	Property Management	22.80%	British Virgin Islands	-
10.	EUROPEAN RELIANCE GEN. INSURANCE CO. S.A.	General and life insurance and reinsurance	30.23%	Greece	2007-2009
11.	APE INVESTMENT PROPERTY S.A.	Real estate, development/ tourist services	27.20%	Greece	2008-2009
12.	SCIENS INTERNATIONAL INVESTMENTS & HOLDING S.A.	Holding company	29.80%	Greece	2008-2009
13.	EKATHARISEIS AKTPOLOIAS S.A.	Ticket Settlements	49.00%	Greece	2007-2009
14.	TRASTOR REAL ESTATE INVESTMENT COMPANY	Real estate investment property	33.80%	Greece	2006-2009
15.	EUROTERRA S.A.	Property Management	29.22%	Greece	2008-2009
16.	REBIKAT S.A.	Property Management	30.00%	Greece	2008-2009
17.	ABIES S.A.	Property Management	30.00%	Greece	2002-2009
18.	ATLANTIC INSURANCE COMPANY PUBLIC LTD	General Insurances	21.70%	Cyprus	2003-2009

The changes in the portfolio of subsidiaries and associates are referred at note 21.

**14 Due to customers**

	31 March 2010	31 December 2009
Current and sight deposits	4,699,748	5,321,970
Savings account	3,968,003	4,292,665
Term deposits	20,557,048	20,130,942
Other accounts	262,565	292,710
Repurchase agreements	56,321	25,319
	<b>29,543,685</b>	<b>30,063,606</b>

**15 Debt securities in issue**

		31 March 2010	31 December 2009
<b>ETBA bonds</b>	EUR	<b>143,140</b>	<b>153,057</b>
<b>Euro Commercial Paper (Short term securities)</b>	EUR	16,309	122,482
	USD	31,457	70,751
	GBP	319	51
		<b>48,086</b>	<b>193,284</b>
<b>Other debt securities</b>	BGN	<b>0</b>	<b>15,392</b>
<b>Euro Medium Term Note</b>			
€ 700 m. floating rate notes due 2010		433,537	448,317
€ 60 m. floating rate notes due 2015		60,000	60,000
€ 10 m. floating rate notes due 2013		9,994	9,993
€ 650 m. floating rate notes due 2011		422,845	424,108
€ 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		-	688,487
€ 20 m. floating rate notes due 2012		19,983	19,981

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	<b>31 March 2010</b>	<b>31 December 2009</b>
<b>Euro Medium Term Note</b>		
€ 10 m. fixed/ floating rate notes due 2010	-	3,212
€ 500 m. fixed rate notes due 2011	490,787	492,795
€ 500 m. fixed rate notes due 2012	469,688	469,769
€ 200 m. fixed rate notes due 2012	37,465	-
€ 200 m. fixed rate notes due 2013	17,168	-
Accrued interest and other expenses	28,956	18,759
	<b>1,994,172</b>	<b>2,689,172</b>
<b>Securitisation of mortgage loans</b>		
€ 750 m. floating rate notes due 2040	272,852	283,300
€ 1,250 m. floating rate notes due 2054	850,756	872,072
	<b>1,123,609</b>	<b>1,155,372</b>
<b>Total debt securities in issue</b>	<b>3,309,006</b>	<b>4,206,276</b>

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 3 month period of 2010, which have been mainly retained by the Bank, are presented below:

In February 2010 Piraeus Bank issued its new 2-year fixed rate senior bond in the amount of € 200 million. 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 its new 3-year fixed rate senior bond in the amount of € 200 million. 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.

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, the first and second consumer loan backed securitisation of € 725 million and € 558 million respectively, as well as the first leasing receivables securitisation of € 540 million, continue to be retained by Piraeus Bank Group.

## 16 Hybrid capital and other borrowed funds

	<b>31 March 2010</b>	<b>31 December 2009</b>
<b>Hybrid capital (Tier I)</b>		
€ 200 m. floating rate notes	158,636	159,036
Accrued interest and other expenses	680	716
	<b>159,316</b>	<b>159,752</b>
<b>Subordinated debt (Tier II)</b>		
€ 400 m. floating rate notes due 2016	346,220	347,011
Accrued interest and other expenses	866	937
	<b>347,086</b>	<b>347,948</b>
<b>Other borrowed funds (USD)</b>	<b>3,824</b>	<b>3,578</b>
<b>Total hybrid capital and other borrowed funds</b>	<b>510,227</b>	<b>511,278</b>

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.

## 17 Contingent liabilities and commitments

### A) Legal procedures

The legal proceedings outstanding against the Group as at 31/3/2010 are not expected to have any significant impact on the financial statements of the Group, according to the opinion of the legal affairs division of the Bank and its subsidiaries.

### B) Credit commitments

As at 31/3/2010 the Group had the following capital commitments:

	<b>31 March 2010</b>	<b>31 December 2009</b>
Letters of guarantee	3,109,613	3,241,246
Letters of credit	147,695	126,797
Commitments to extent credit	16,042,940	13,616,958
	<b>19,300,247</b>	<b>16,985,000</b>

### C) Assets pledged

	<b>31 March 2010</b>	<b>31 December 2009</b>
Balances with central banks	28	228
Trading securities	6,173,238	3,911,734
Investment securities	2,554,984	2,144,464
Loans and advances to customers	865,000	865,000
Debt securities - receivables	1,130,176	761,966
	<b>10,723,426</b>	<b>7,683,391</b>

In the "Trading securities" category, an amount of € 5,367 million refers to securities, which are not included in assets, derived from the securitization of mortgage, consumer and corporate loans.

D) Operating lease commitments and receivables

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

	31 March 2010	31 December 2009
Up to 1 year	51,938	51,281
From 1 to 5 years	203,604	200,618
More than 5 years	408,100	395,099
	<b>663,641</b>	<b>646,998</b>

## 18 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
<b>At 1 January 2009</b>	<b>1,571,923</b>	<b>927,775</b>	<b>(167,321)</b>	<b>2,332,377</b>
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	-	-	(4,240)	(4,240)
Sales of treasury shares	-	-	171,438	171,438
<b>At 31 December 2009</b>	<b>1,974,020</b>	<b>927,739</b>	<b>(123)</b>	<b>2,901,636</b>
<b>At 1 January 2010</b>	<b>1,974,020</b>	<b>927,739</b>	<b>(123)</b>	<b>2,901,636</b>
Sales of treasury shares	-	-	120	120
<b>At 31 March 2010</b>	<b>1,974,020</b>	<b>927,739</b>	<b>(3)</b>	<b>2,901,756</b>

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

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
<b>Opening balance at 1st January 2009</b>	<b>329,543,528</b>	<b>(12,523,924)</b>	<b>317,019,604</b>
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	-	(771,503)	(771,503)
Sales of treasury shares	-	13,280,976	13,280,976
<b>Balance at 31st December 2009</b>	<b>413,840,653</b>	<b>(14,451)</b>	<b>413,826,202</b>
<b>Opening balance at 1st January 2010</b>	<b>413,840,653</b>	<b>(14,451)</b>	<b>413,826,202</b>
Sales of treasury shares	-	14,278	14,278
<b>Balance at 31 March 2010</b>	<b>413,840,653</b>	<b>(173)</b>	<b>413,840,480</b>

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 L. 3723/2008, of nominal share value € 4.77. The terms of the 77,568,134 preference shares, which were issued within the framework of article 1 of L.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, of 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 Law 3723/2008. Nevertheless it is noted that the Ordinary General Meeting of shareholders of the Bank resolved on 3/4/2008 upon the acquisition by the Bank of up to 33,000,000 treasury shares through the Athens Exchange, in accordance with the provisions of art. 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.

### 3rd share option plan

In the above share option plan that has been implemented since 2006 and will expire in December 2010, no rights were exercised during the period 1/1-31/3/2010. The remaining 71,900 granted rights are exercisable until the ultimate expiry date of the scheme.

## 19 Other reserves and retained earnings

	31 March 2010	31 December 2009
Legal reserve	96,245	95,544
Extraordinary reserve	1,821	1,821
Available for sale reserve	(207,978)	(157,761)
Currency translation reserve	(165,299)	(162,904)
Other reserves	2,962	5,105
<b>Total other reserves</b>	<b>(272,249)</b>	<b>(218,195)</b>
Retained earnings	781,412	782,619
<b>Total other reserves and retained earnings</b>	<b>509,163</b>	<b>564,424</b>



**Piraeus Bank Group - 31 March 2010**  
Amounts in thousand euros (Unless otherwise stated)

	<b>31 March 2010</b>	<b>31 December 2009</b>
<b>Other reserves movement</b>		
Opening balance for the period	(218,195)	(177,586)
Movement of available for sale reserve	(50,217)	4,652
Formation of legal reserve	701	17,580
Formation of other reserves	(2,190)	3,341
Foreign exchange differences and other adjustments	(2,348)	(66,182)
<b>Closing balance for the period</b>	<b>(272,249)</b>	<b>(218,195)</b>

Legal reserve of the Bank and its Greek subsidiaries is formed in accordance with Law 2190/1920 and each company's articles of association. Foreign subsidiaries form their legal reserve in accordance with their local legislation.

	<b>31 March 2010</b>	<b>31 December 2009</b>
<b>Available for sale reserve movement</b>		
Opening balance for the period	(157,761)	(162,414)
Gains/ (losses) from the valuation of available for sale bonds	(54,575)	(27,151)
Gains/ (losses) from the valuation of available for sale shares and mutual funds	(11,902)	22,562
Deferred income tax	15,538	6,607
Recycling of the accumulated fair value adjustment of disposed available for sale securities	121	(28)
Foreign exchange differences and other adjustments	600	2,664
<b>Closing balance for the period</b>	<b>(207,978)</b>	<b>(157,761)</b>

	<b>31 March 2010</b>	<b>31 December 2009</b>
<b>Retained earnings movement</b>		
Opening balance for the period	782,619	721,359
Profit after tax attributable to equity holders of the parent entity	6,768	201,749
Prior year dividends	-	(35,664)
Losses from sales of treasury shares	(2)	(70,722)
Expenses on issuance of preference shares	-	(4,110)
Transfer to other reserves	1,489	(20,921)
Acquisitions, absorptions and movement in subsidiaries holding	(8,995)	(7,935)
Other movements	(467)	(1,137)
<b>Closing balance for the period</b>	<b>781,412</b>	<b>782,619</b>

## 20 Related party transactions

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

	<b>Board of Directors members and key management personnel</b>	
	<b>31 March 2010</b>	<b>31 December 2009</b>
Loans	147,919	145,661
Deposits	41,583	36,516

Letters of guarantees and letters of credits to the members of the board of directors and to the key management personnel as at 31/3/2010 are € 1.9 million (31/12/2009: € 1.5 million). The total income on loans to members of the board of directors and to key management personnel for the period 1/1 - 31/3/2010 is € 1 million (1/1 - 31/3/2009: € 2.3 million). The total expense from deposits of the prementioned related parties for the period is € 0.1 million (1/1 - 31/3/2009: € 0.2 million).

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

	<b>1/1-31/3/2010</b>	<b>1/1-31/3/2009</b>
<b>Directors' remuneration</b>		
Salaries and other remuneration	1,222	1,092
Termination benefits	-	1,474
	<b>1,222</b>	<b>2,566</b>

The aggregate provisions in respect of Members of the Board of Directors and key management personnel amount to € 29.1 million as at 31/3/2010 (31/12/2009: € 27.4 million). The full amount of the above provisions has been included in retirement benefit obligations.

	Associates	
	31 March 2010	31 December 2009
Deposits	74,342	90,726
Loans and advances to customers	53,693	53,490
	<b>1/1 - 31/3/2010</b>	<b>1/1 - 31/3/2009</b>
Interest expense	(298)	(1,075)
Interest income	405	2,285

## 21 Changes in the portfolio of subsidiaries and associates

In the period from 1/1/2010 to 31/3/2010, the following changes took place in the Group's portfolio of subsidiaries and associates:

### a) Increases of participation:

On 20/3/2010, Piraeus Bank Cyprus LTD, 100% subsidiary of Piraeus Bank S.A., increased its shareholding in Euroinvestment & Finance LTD with the amount of € 0.1 thousand, increasing Group's shareholding by 0.01% to 90.86%.

On 4/1/2010, Piraeus Bank Egypt Investment Company, subsidiary of Piraeus Bank Egypt S.A.E. with shareholding percentage of 99,80%, increased its shareholding to Integrated Storage System Co. from 54% to 59% with the amount of € 6.7 thousand. Group's shareholding percentage increased from 89.54% to 94.30%.

On 15/3/2010, Piraeus Bank Egypt S.A.E., subsidiary of Piraeus Bank with shareholding percentage of 95.37%, bought 1,407,028 shares, representing 2.19% of company's outstanding shares, with the amount of € 3.57 million. Those shares have reduced subsidiary's share capital in Group's consolidated financial statements. Therefore, Group's shareholding percentage to the company increased from 95.37% to 97.51% resulting to an increase in Group's shareholding percentage to the following companies owned by Piraeus Bank Egypt S.A.E. and its subsidiaries: Phoenix Kato Asset Management Co. (from 85.83% to 87.75%), Piraeus Egypt Leasing Co. (from 95.33% to 97.47%), Piraeus Egypt for Securities Brokerage Co. (from 95.17% to 97.31%), Piraeus Bank Egypt Investment Company (from 95.18% to 97.31%), Piraeus Insurance Brokerage Egypt (from 93.35% to 95.44%), Integrated Storage System Co. (from 94.30% to 96.42%), Alexandria for Development & Investment (from 20.98% to 21.45%), Nile Shoes Company (from 37.51% to 38.35%).

### b) Acquisitions

On 16/2/2010, Piraeus Bank S.A. acquired 100% of Wrangle LTD with the amount of € 90 thousand. Wrangle LTD has been renamed to O.F. Investments LTD.

On 25/2/2010, R.E. Anodus LTD, subsidiary of Piraeus Bank S.A. with shareholding percentage of 99.99%, acquired 100% of Solum LTD Liability Co. with the amount of € 7.8 thousand.

On 1/3/2010, Piraeus Bank Cyprus LTD, 100% subsidiary of Piraeus Bank S.A., acquired 100% of Piraeus (Cyprus) Insurance Brokerage LTD with the amount of € 10 thousand.

### c) Participation in share capital increases:

On 22/1/2010, Piraeus Bank S.A. fully covered the share capital increase of R.E. Anodus LTD with the amount of € 16 thousand, increasing in this way its shareholding to R.E. Anodus LTD from 99.90% to 99.99%.

On 25/2/2010, Lakkos Mikelli Real Estate LTD increased its share capital with the amount of € 102.6 thousand. Piraeus Bank S.A. and Philoktimatiki Public LTD participated in the increase with the amounts of € 41 thousand and € 20.5 thousand respectively ( 40% and 20% respectively) without altering their shareholding to Lakkos Mikelli Real Estate LTD. Therefore, Group's shareholding remained at (50.66%).

On 26/2/2010, New Evolution S.A., 100% subsidiary of Piraeus Bank S.A., participated in share capital increase of PROSPECT N.E.P.A. with the amount of € 50 thousand, without altering its shareholding of 100%.

On 1/3/2010 and 8/3/2010, Piraeus Bank S.A. participated partially in share capital increases of Olympic Commercial & Tourist Enterprises S.A. with the amounts of € 16.75 million and € 558 thousand respectively, reducing its shareholding from 74.90% to 59.79%.

On 4/3/2010, Piraeus Developer S.A., 100% subsidiary of Piraeus Bank S.A., increased its share capital with the amount of € 4.5 million. The amount was fully covered by cash contribution from Piraeus Bank S.A..

On 4/3/2010, Piraeus Property S.A. 100% subsidiary of Piraeus Bank S.A., increased its share capital with the amount of € 3.5 million. The amount was fully covered by cash contribution from Piraeus Bank S.A..

### d) Liquidation

On 26/10/2009, the decision of liquidation of Multicollection S.A., subsidiary of Piraeus Bank S.A. with shareholding percentage of 51%, was registered in Societes Anonymes Registry of Prefecture of Athens.

### e) Renames:

"OJSC Piraeus Bank ICB" has been renamed to "JSC Piraeus Bank ICB".

	2010	2009
Participation in share capital increases	25,441	126,514
Increase of shareholding percentage in Group subsidiaries	7	6,374
Acquisition of subsidiaries	108	220
Less: Cash and cash equivalents of subsidiaries acquired	-	(104)
<b>Total net cash outflow/ (inflow) from acquisition of subsidiaries and increase of shareholding percentage</b>	<b>115</b>	<b>6,491</b>

## 22 Events subsequent to the end of the interim period

The deterioration of the fiscal situation in Greece, led to the downgrade of the country's credit rating by the rating agencies, with a subsequent negative impact on Greek banks' ratings as well. More specifically:

- on April 09, 2010, the credit agency Fitch Ratings downgraded the Long-term Issuer Default Rating (IDR) of Piraeus Bank to BBB- from BBB and placed it on rating watch negative;
- on April 27, 2010, Standard & Poor's downgraded the long-term rating of Piraeus Bank to BB from BBB with negative outlook;
- on April 30, 2010, Moody's downgraded the long-term rating of Piraeus Bank to Ba1 from Baa1 and kept it on review for possible downgrade.

In April and May 2010, the major Greek banks activated the part of the Greek Government Liquidity Support Plan (L.3723/08) that hadn't been utilized during the period 2008-2009. Piraeus Bank received € 0.4 billion of special bonds (Pillar III), while it also used Pillar II bond guarantees of € 2.4 billion.

In May 2010, a one-off extraordinary tax contribution of social responsibility is imposed by article 5 of Law 3845/2010 on the total 2009 net income of legal entities, on the condition that such income exceeds 100 thousand (100.000) euros. The amount of extraordinary tax contribution will be recognized in 2010 financial statements.

On May 12, 2010 Moody's downgraded 23 structured finance transactions of Greek Banks. This downgrade mainly reflects Greece's rating downgrade to A3 on April 22, 2010. With regards to Piraeus Bank, 5 structured finance transactions were downgraded (Estia Mortgage Finance II, Praxis I, Axia II, Praxis II, Gaia Lease), while they remained at the 'A' rating level.

On May 18, 2010, Standard & Poor's lowered senior Greek bank's RMBS and ABS notes to 'A' and at the same time concluded that this rating level is the highest for Greek securitisation notes given the country's credit rating. This action follows the rating downgrade of Greece to BB+ on April 27, 2010. With regards to Piraeus Bank, 2 RMBS transactions (Estia Mortgage Finance I & II) were downgraded to 'A' rating level.

Athens, May 27th, 2010

CHAIRMAN  
OF THE BOARD OF DIRECTORS  
and CHIEF EXECUTIVE OFFICER

MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

DIRECTOR, GROUP FINANCE &  
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