



PIRAEUS BANK GROUP

Consolidated Interim Condensed Financial Information

30 September 2008

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 October 20th, 2008 and it is available on the web site of Piraeus Bank at www.piraeusbank.gr

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

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CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Period from 1 January to		Period from 1 July to	
		30 September 2008	30 September 2007	30 September 2008	30 September 2007
Interest and similar income		2,836,565	1,893,411	1,109,618	705,116
Interest expense and similar charges		(1,975,609)	(1,251,262)	(804,619)	(474,458)
NET INTEREST INCOME		860,956	642,149	304,999	230,658
Fee and commission income		219,520	189,459	70,776	66,451
Fee and commission expense		(33,419)	(25,270)	(11,968)	(9,624)
NET FEE AND COMMISSION INCOME		186,101	164,189	58,808	56,827
Dividend income		22,673	9,931	6,419	2,017
Net trading income		31,044	26,005	(3,645)	20,563
Net income from financial instruments designated at fair value through profit or loss		5,185	11,723	17,467	672
Gains/ (Losses) from investment securities	6	24,685	175,107	7,137	7,636
Other operating income		168,625	154,405	64,064	56,012
TOTAL NET INCOME		1,299,269	1,183,509	455,249	374,385
Staff costs		(315,843)	(261,638)	(107,137)	(89,965)
Administrative expenses		(259,869)	(200,812)	(96,525)	(68,485)
Depreciation and amortisation		(62,792)	(45,795)	(20,028)	(16,262)
Gains/ (Losses) from sale of assets		3,448	3,007	639	842
Impairment losses on loans and receivables	10	(133,109)	(83,768)	(50,892)	(31,746)
Other provisions		(555)	(958)	0	(486)
TOTAL OPERATING EXPENSES		(768,720)	(589,964)	(273,942)	(206,102)
Share of profit of associates		6,026	2,783	2,275	137
PROFIT BEFORE INCOME TAX		536,575	596,328	183,582	168,420
Income tax expense	7	(80,164)	(69,563)	(20,145)	(24,872)
PROFIT FOR THE PERIOD		456,411	526,765	163,437	143,548
Profit for the period attributable to the equity holders of Piraeus Bank		441,100	512,071	157,289	139,808
Minority Interest		15,311	14,694	6,149	3,740
Earnings per share to equity holders (in euros):					
- Basic	8	1.3567	1.8346	0.4857	0.4950
- Diluted	8	1.3538	1.8217	0.4851	0.4917

CONSOLIDATED INTERIM BALANCE SHEET

	Note	30 September 2008	31 December 2007
ASSETS			
Cash and balances with central banks		3,458,336	3,400,169
Treasury bills and other eligible bills		208,303	214,819
Loans and advances to credit institutions		2,159,969	2,611,891
Derivative financial instruments - assets	9	306,926	83,216
Trading securities		3,155,618	4,506,731
Financial instruments at fair value through profit or loss		835,154	508,137
Loans and advances to customers (net of provisions)	10	38,386,570	30,288,785
Investment securities			
-Available for sale securities	11	744,993	1,383,628
-Held to maturity		112,569	110,356
Investments in associated undertakings	12	158,817	116,946
Intangible fixed assets		295,291	264,635
Property, plant and equipment		923,978	863,430
Investment property		685,655	692,799
Assets held for sale		4,855	4,696
Deferred tax assets		169,098	144,397
Inventories - property		196,423	182,743
Other assets		1,056,057	1,049,963
TOTAL ASSETS		52,858,613	46,427,340
LIABILITIES			
Due to credit institutions		9,810,781	10,705,784
Derivative financial instruments - liabilities	9	258,914	87,038
Due to customers	13	28,125,105	22,067,315
Debt securities in issue	14	9,135,191	7,788,572
Other borrowed funds	15	777,201	795,831
Hybrid capital	15	174,974	193,406
Retirement benefit obligations		196,131	169,604
Other provisions		14,172	3,750
Current income tax liabilities		61,949	97,851
Deferred tax liabilities		124,831	134,354
Other liabilities		823,504	1,074,256
TOTAL LIABILITIES		49,502,753	43,117,761
EQUITY			
Share capital	17	1,571,923	1,617,977
Share premium	17	927,775	1,099,903
Less: Treasury shares	17	(126,984)	(250,863)
Other reserves	18	(44,601)	53,939
Retained earnings	18	862,577	561,058
Capital and reserves attributable to Piraeus Bank equity holders		3,190,689	3,082,015
Minority Interest	18	165,170	227,565
TOTAL EQUITY		3,355,859	3,309,579
TOTAL LIABILITIES AND EQUITY		52,858,613	46,427,340

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Note	Attributable to equity holders					Minority interests	TOTAL	
	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings			
Opening balance as at 1 January 2007	1,288,830	88,146	(97,302)	163,650	172,877	216,219	1,832,420	
Issue of share capital by cash contribution of September 2007	17	322,208	994,774				1,316,982	
Purchases of treasury shares	17		(183,324)				(183,324)	
Sales of treasury shares	17		35,079		2,973		38,052	
Available for sale reserve	18			(92,452)			(92,452)	
Profit after tax 1/1/2007 - 30/9/2007	18				512,071	14,694	526,765	
Dividend relating to the previous year					(86,462)	(7,219)	(93,681)	
Transfers between other reserves and retained earnings				2,099	(2,099)		0	
Reserve for stock option plan				5,093			5,093	
Acquisitions, disposals and movement in subsidiaries holding				(156)	(3,677)	(11,847)	(15,680)	
Currency translation differences and other adjustments				(16,927)	(4,595)	2,537	(18,985)	
Balance as at 30 September 2007		1,611,038	1,082,920	(245,547)	61,307	591,088	214,384	3,315,190

Note	Attributable to equity holders					Minority interests	TOTAL	
	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings			
Opening balance as at 1 October 2007	1,611,038	1,082,920	(245,547)	61,307	591,088	214,384	3,315,190	
Share capital increase expenses of September 2007		(293)					(293)	
Issue of share capital due to the exercise of share options	17	6,939	17,276	(4,571)			19,644	
Purchases of treasury shares	17		(5,315)				(5,315)	
Available for sale reserve	18			(2,199)			(2,199)	
Profit after tax 1/10/2007 - 31/12/2007	18				110,070	14,624	124,694	
Dividend relating to the previous year						(424)	(424)	
Interim dividend for year 2007					(117,598)		(117,598)	
Transfer between other reserves and retained earnings				23,002	(23,002)		0	
Reserve for stock option plan				1,698			1,698	
Acquisitions, disposals and movement in subsidiaries holding				(196)	5,325	(783)	4,346	
Currency translation differences and other adjustments				(25,102)	(4,825)	(237)	(30,164)	
Balance as at 31 December 2007		1,617,977	1,099,903	(250,862)	53,939	561,058	227,564	3,309,579

Note	Attributable to equity holders					Minority interests	TOTAL	
	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings			
Opening balance as at 1 January 2008	1,617,977	1,099,903	(250,862)	53,939	561,058	227,564	3,309,579	
Cancellation of treasury shares	17	(49,644)	(184,526)	234,170			0	
Share capital increase due to reinvestment of dividends	17	3,589	12,398				15,987	
Purchases of treasury shares	17		(110,291)				(110,291)	
Available for sale reserve	18			(106,469)			(106,469)	
Profit after tax 1/1/2008 - 30/9/2008	18				441,100	15,311	456,411	
Prior year dividends					(118,122)	(2,390)	(120,512)	
Transfer between other reserves and retained earnings				7,179	(7,179)		0	
Reserve for stock option plans	18			2,492			2,492	
Acquisitions, disposals and movement in subsidiaries holding				(4,495)	(12,885)	(73,084)	(90,464)	
Currency translation differences and other adjustments				2,753	(1,395)	(2,231)	(873)	
Balance as at 30 September 2008		1,571,923	927,775	(126,984)	(44,601)	862,577	165,170	3,355,859

CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Note	From January 1st to 30 September 2008	30 September 2007
<i>Cash flows from operating activities</i>			
Profit before tax		536,575	596,328
<i>Adjustments to profit before tax</i>			
Add: impairment for loans and advances and other provisions	10	133,664	84,726
Add: depreciation and amortisation		62,792	45,795
Add: retirement benefits		22,817	25,106
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		(18,552)	(4,672)
(Gains)/ losses from investing activities		(91,720)	(272,674)
		645,577	474,609
<i>Cash flows from operating profits before changes in operating assets and liabilities</i>			
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		(296,871)	(157,506)
Net (increase)/ decrease in treasury bills and other eligible bills		19,496	(95,267)
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		599,568	183,455
Net (increase)/ decrease in loans and advances to credit institutions		418,222	(574,240)
Net (increase)/ decrease in loans and advances to customers		(8,123,272)	(7,460,996)
Net (increase)/ decrease in other assets		(47,282)	(247,086)
Net increase/ (decrease) in due to credit institutions		(957,343)	2,597,796
Net increase/ (decrease) in amounts due to customers		5,787,187	3,345,676
Net increase/ (decrease) in other liabilities		(252,577)	107,644
<i>Net cash flow from operating activities before income tax payment</i>		(2,207,295)	(1,825,915)
Income tax paid		(47,525)	(21,072)
Net cash inflow/ (outflow) from operating activities		(2,254,820)	(1,846,987)
<i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment		(233,508)	(123,931)
Sales of property, plant and equipment		55,875	94,844
Purchases of intangible assets		(21,438)	(11,313)
Purchases of available for sale securities		(116,681)	(160,603)
Disposals of available for sale securities		680,687	831,701
Purchase of held to maturity securities		(31,829)	(32,148)
Maturity of held to maturity securities		29,247	23,801
Acquisition of subsidiaries (net of cash & cash equivalents acquired)	20	156,653	(65,396)
Disposals of subsidiaries (net of cash & cash equivalents disposed)	20	5,731	1,939
Acquisition of associates	20	(3,650)	(19,058)
Disposal of associates	20	120	24,855
Dividends receipts		18,894	9,926
Net cash inflow/ (outflow) from investing activities		540,101	574,617
<i>Cash flows from financing activities</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		1,309,556	1,776,585
Net proceeds from issue of share capital due to reinvestment of dividends	17	15,987	1,316,982
Prior year dividends		(120,147)	(96,722)
Purchases of treasury shares	17	(110,291)	(183,324)
Sales of treasury shares	17	-	38,052
Other cashflows from financing activities		7,152	(38,352)
Net cash inflow/ (outflow) from financing activities		1,102,257	2,813,221
Foreign exchange differences on cash and cash equivalents		(19,795)	(6,687)
Net increase/ (decrease) in cash and cash equivalents of the period		(632,257)	1,534,164
Cash and cash equivalents at the beginning of the period		5,062,568	4,381,289
Cash and cash equivalents at the end of the period		4,430,311	5,915,453

1 General Information about the Group

Piraeus Bank S.A. is a banking institution 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 object 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 (together "the Group") provide services in the Southeast Europe, Egypt, the U.S., as well as Western Europe. The Group employs 14,376 people.

Apart from the ATHEX Composite Index, the Piraeus Bank share is included in a series of other indices, such as FTSE/ATHEX- 20, MSCI Greece, MSCI EAFE, DJ Euro Stoxx, DJ Euro Stoxx Banks and FTSE4Good Index.

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 2007 have been followed. Piraeus Bank made use of the amendments of International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 7, which were published during October 2008 and are effective since 1/7/2008.

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

3 Basis of presentation of the consolidated interim condensed financial information

The consolidated interim condensed financial information has been prepared in accordance with 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 2007.

4 Critical accounting estimates and judgements

The Group makes estimates and assumptions that 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 profit or loss 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 financial instruments

The fair values of 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 and changes in technology.

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 are present that, considered in isolation, indicate control or lack of control over an SPE, 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 provisions 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 guarantees, 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 for 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.).

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

	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group
1/1-30/9/2008							
Revenues	1,525,953	574,082	40,731	893,873	273,659	-	3,308,297
Revenues from other business segments	233,619	23,687	1,045	857	372,868	(632,076)	0
Total revenues	1,759,571	597,769	41,775	894,730	646,528	(632,076)	3,308,297
Net revenues	1,130,516	195,891	31,465	75,477	(134,081)	-	1,299,269
Net revenues from other business segments	(202,448)	(22,792)	(5,849)	(3,217)	275,990	(41,682)	0
Total net revenues	928,068	173,099	25,616	72,260	141,909	(41,682)	1,299,269
Segment results	345,155	84,694	19,800	43,423	37,477	-	530,549
Share of profit of associates							6,026
Profit before tax							536,575
Income tax expense							(80,164)
Profit after tax							456,411
Other segment items							
Capital expenditure	162,058	29,351	440	211	62,886	-	254,946
Depreciation and amortisation	31,677	4,476	497	418	25,725	-	62,792
Impairment charge - loans	98,005	28,177	63	-	6,864	-	133,109
1/1-30/9/2007							
Revenues	971,408	313,251	73,043	759,278	343,061	-	2,460,041
Revenues from other business segments	151,287	16,534	344	93	267,170	(435,428)	0
Total revenues	1,122,695	329,785	73,387	759,371	610,231	(435,428)	2,460,041
Net revenues	815,810	153,945	63,879	53,302	96,573	-	1,183,509
Net revenues from other business segments	(140,213)	(30,111)	(11,023)	(8,093)	229,840	(40,400)	0
Total net revenues	675,597	123,834	52,856	45,209	326,413	(40,400)	1,183,509
Segment Results	260,484	48,566	52,632	36,010	195,853	-	593,545
Share of profit of associates							2,783
Profit before tax							596,328
Income tax expense							(69,563)
Profit after tax							526,765
Other segment items							
Capital expenditure	68,624	34,349	205	412	31,654	-	135,244
Depreciation and amortisation	23,951	4,550	806	549	15,939	-	45,795
Impairment charge - loans	59,153	20,511	-	-	4,104	-	83,768

Piraeus Bank Group - 30 September 2008
Amounts in thousand euros (Unless otherwise stated)

<u>At 30 September 2008</u>	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group
Segment assets	27,104,447	12,212,974	157,155	10,293,844	3,090,193	-	52,858,612
Segment liabilities	19,256,050	2,776,280	97,483	19,177,627	8,195,313	-	49,502,753

<u>At 31 December 2007</u>	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group
Segment assets	22,334,173	9,263,542	130,416	11,332,738	3,366,471	-	46,427,340
Segment liabilities	13,372,301	1,110,708	124,121	19,237,790	9,272,841	-	43,117,761

Other business segments results for the period 1/1-30/9/2007 include amount of € 159.3 million which relates to the sale of the Bank's participation in Bank of Cyprus.

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

Revenues and net revenues from other business segments include revenues and net revenues derived from transactions between business segments.

6 Gains less losses from investment securities

During the period 1/1-30/9/2008, gains less losses from investment securities amount to € 24.7 million (30/9/2007: € 175.1 million). It should be noted that during the period 1/1 - 30/9/2007 gains less losses from investment securities include amount of € 159.3 million which derives from the sale of Piraeus Bank's participation in Bank of Cyprus (percentage 8.08%).

7 Income tax expense

	1/1-30/9/2008	1/1-30/9/2007
Current Tax	(81,142)	(42,551)
Deferred tax	978	(27,012)
	(80,164)	(69,563)

The tax rate for Greek legal entities, in accordance with the provisions in force of article 109, par. 1 of Law 2238/1994, is 25% for the years 2007 and 2008. 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 2007 and 2008 (Bulgaria: 10%, Romania: 16%, U.S.A.: 35%, Serbia: 10%, Ukraine: 25%, Egypt: 20% and Cyprus 10%). The nominal tax rate in Albania has decreased from 20% in 2007 to 10% in 2008.

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2006 have been finalized. The tax audit of the prementioned years resulted to additional debit balances in the accounts "tax exempt reserves" of article 38, of law 2283/1994.

The current tax has been charged, except from the provisions for tax differences, with tax amounts from accounting differences that resulted from the recent tax audit and with the extraordinary taxation that is required from article 26, of law 3634/2008. All the related tax liabilities were settled during the 9 month period of 2008.

The unaudited tax years of the subsidiaries and associates are included in note 12. For the unaudited tax years, a provision has been raised according to International Financial Reporting Standards (IFRS).

8 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

For the calculation of the diluted earnings per share, all the dilutive potential ordinary shares are taken into consideration. The two share option schemes are the only cases of dilutive potential ordinary shares for the Group. Specifically, the weighted average number of ordinary shares used for the calculation of the basic earnings per share is increased by the number of shares that arises from the comparison of a) the number of shares that would have been issued at fair value for the total consideration received from the exercise of the share options and b) the number of shares issued due to the exercise of the share options.

Basic earnings per share	1/1 - 30/9/2008	1/1 - 30/9/2007	1/7 - 30/9/2008	1/7 - 30/9/2007
Net profit attributable to shareholders	441,100	512,071	157,289	139,808
Weighted average number of shares in issue	325,128,782	279,112,566	323,852,707	282,422,785
Basic earnings per share (in euro)	1.3567	1.8346	0.4857	0.4950

Diluted earnings per share	1/1 - 30/9/2008	1/1 - 30/9/2007	1/7 - 30/9/2008	1/7 - 30/9/2007
Net profit attributable to shareholders	441,100	512,071	157,289	139,808
Weighted average number of shares in issue	325,128,782	279,112,566	323,852,707	282,422,785
Adjustment for share options	694,982	1,977,563	366,255	1,924,723
Weighted average number of shares in issue for the diluted earnings per share calculation	325,823,763	281,090,129	324,218,962	284,347,507
Diluted earnings per share (in euro)	1.3538	1.8217	0.4851	0.4917

According to the requirements of IAS 33, the weighted average number of shares has been adjusted with a factor of 1.00014 for the 9 month period of 2007 and the 3rd quarter of 2007 in order to adjust earnings per share (basic and diluted) for the reinvestment of dividend that took place during the period of 1/1 - 30/9/2008.

9 Derivative financial instruments

The Group gradually expands the use of the derivative financial instruments, mainly towards the management of interest rate risk of the Group as well as its customers.

10 Loans and advances to customers

	30 September 2008	31 December 2007
Loans to individuals		
Mortgages	6,567,732	5,743,069
Consumer/ personal and other loans	4,627,279	3,717,054
Credit cards	738,490	618,665
	11,933,501	10,078,788
Loans to corporate entities	27,002,335	20,626,020
Total loans and advances to customers	38,935,836	30,704,809
Less: Allowance for losses (impairment) on loans and advances to customers	(549,266)	(416,024)
Total loans and advances to customers (less allowances for losses)	38,386,570	30,288,785
Current loans and advances to customers	16,693,705	12,904,404
Non current loans and advances to customers	21,692,865	17,384,381
	38,386,570	30,288,785

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

a) Loans to individuals

	Mortgages	Consumer/ personal and other loans	Credit cards	Total
Balance at 1 January 2007	9,880	102,663	16,295	128,838
Opening balance of new subsidiaries	122	213	-	335
Charge for the period	3,181	33,972	9,586	46,739
Loans written-off	-	(25,109)	(407)	(25,516)
Foreign exchange differences	(28)	1,556	(7)	1,521
Balance at end of period 30/9/2007	13,155	113,295	25,467	151,917
Balance at 1 October 2007	13,155	113,295	25,467	151,917
Charge for the period	2,061	14,046	4,535	20,642
Loans written-off	-	(2,374)	-	(2,374)
Foreign exchange differences	303	(3,886)	124	(3,459)
Balance at end of year 31/12/2007	15,519	121,081	30,126	166,726
Balance at 1 January 2008	15,519	121,081	30,126	166,726
Opening balance of new subsidiaries	-	1,574	180	1,754
Charge for the period	8,048	47,991	16,803	72,841
Loans written-off	(4)	(3,560)	(5)	(3,569)
Foreign exchange differences	(41)	(597)	28	(610)
Balance at end of period 30/9/2008	23,522	166,489	47,132	237,143

b) Loans to corporate entities

Balance at 1 January 2007	248,994
Opening balance of new subsidiaries	672
Charge for the period	31,328
Loans written-off	(35,880)
Foreign exchange differences	(3,003)
Balance at end of period 30/9/2007	242,111
Balance at 1 October 2007	242,111
Opening balance of new subsidiaries	655
Charge for the period	9,482
Loans written-off	(6,574)
Foreign exchange differences	3,624
Balance at end of year 31/12/2007	249,298
Balance at 1 January 2008	249,298
Opening balance of new subsidiaries	10,397
Charge for the period	55,537
Loans written-off	(4,101)
Foreign exchange differences	992
Balance at end of period 30/9/2008	312,123

The charge for the period 1/1 - 30/9/2008 (€ 133,109 thousand) in the income statement includes amount of € 4,730 thousand which relates to impairment of other receivables. The charge for the period 1/1 - 30/9/2007 (€ 83.768 thousand) in the income statement includes amount of € 3.320 thousand which relates to the charge for the period for impairment on other receivables, loans written off directly to profit or loss, amount of € 2,461 thousand and amount of € 80 thousand which relates to reversal of provisions of other assets.

11 Investment securities

In accordance with the amendments to IAS 39, the Bank on 1/7/2008 has reclassified from the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio, shares listed in the Athens Exchange and mutual funds of amount € 50.6 million. This reclassification was based on the assessment that, due to the current turmoil and the volatility on the financial markets, the prices of the listed shares do not reflect the fair value and potentials of these companies. The Bank has the intention to hold these shares and mutual funds in the near term. Remeasuring these shares and mutual funds, for the period from 1/7/2008 to 30/9/2008, resulted to a fair value loss of amount € 8.0 million, which has been recognized in the Available for Sale reserve. The loss from the valuation of the prementioned securities of amount € 20.7 million for the period from 1/1/2008 to 30/6/2008 appears at the "Net trading income" of the period 1/1 - 30/9/2008. The Bank did not made use of these amendments for bonds and derivatives, which are still mainly included in the "trading securities" portfolio, with the changes in fair value being recognized to the income statement of the period.

Available for sale securities decreased from € 1,383.6 million as at 31/12/2007 to € 745.0 million as at 30/9/2008, mainly due to the sale of Eurozone's government bonds.

12 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	87.91%	U.S.A	-
2.	Tirana Bank I.B.C.	Banking Activities	90.72%	Albania	2007
3.	Piraeus Bank Romania S.A.	Banking Activities	100.00%	Romania	2007
4.	Piraeus Bank Beograd A.D.	Banking Activities	100.00%	Serbia	2006-2007
5.	Piraeus Bank Bulgaria A.D.	Banking Activities	99.98%	Bulgaria	2004-2007
6.	Piraeus Bank Egypt S.A.E.	Banking Activities	95.36%	Egypt	1999-2007
7.	OJSC Piraeus Bank ICB	Banking Activities	99.95%	Ukraine	-
8.	Piraeus Bank Cyprus LTD	Banking Activities	100.00%	Cyprus	2006-2007
9.	Piraeus Asset Management Europe S.A.	Mutual Funds Management	100.00%	Luxemburg	-
10.	Piraeus Leasing S.A.	Finance Leasing	90.78%	Greece	2006-2007
11.	Piraeus Leasing Romania S.R.L.	Finance Leasing	100.00%	Romania	2003-2007
12.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and Reinsurance Brokerage	100.00%	Greece	2006-2007
13.	Tirana Leasing S.A.	Finance Leasing	100.00%	Albania	2005-2007
14.	Piraeus Securities S.A.	Stock Exchange Operations	100.00%	Greece	2006-2007
15.	Piraeus Group Capital LTD	Debt Securities Issue	100.00%	United Kingdom	-
16.	Piraeus Leasing Bulgaria EAD.	Finance Leasing	100.00%	Bulgaria	-
17.	Piraeus Auto Leasing Bulgaria EAD.	Auto Leasing	100.00%	Bulgaria	-
18.	Piraeus Group Finance P.L.C.	Debt Securities Issue	100.00%	United Kingdom	2005-2007
19.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2005-2007
20.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2005-2007
21.	Piraeus Multifin S.A.	Motor vehicles trading	100.00%	Greece	2007
22.	ETBA Finance S.A.	Special liquidations	100.00%	Greece	2003-2007
23.	Picar S.A.	City Link Areas Management	100.00%	Greece	2005-2007
24.	Bulfina S.A.	Property Management	100.00%	Bulgaria	2003-2007
25.	Piraeus ATFS S.A.	Accounting and tax consulting	100.00%	Greece	2007
26.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece	2005-2007
27.	Piraeus Best Leasing S.A.	Auto Leasing	43.65%	Greece	2003-2007
28.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece	2007
29.	Exodus S.A.	Information technology & software	50.10%	Greece	2005-2007
30.	Komotini Real Estate Development S.A.	Property Management	100.00%	Greece	2006-2007
31.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2005-2007
32.	ND Development S.A.	Property Management	100.00%	Greece	2002-2007
33.	Property Horizon S.A.	Property Management	100.00%	Greece	2003-2007
34.	ETBA Industrial Estates S.A.	Development/ Management of Industrial Areas	65.00%	Greece	2006-2007
35.	Piraeus Property S.A.	Property Management	100.00%	Greece	2006-2007
36.	Piraeus Development S.A.	Property Management	100.00%	Greece	2006-2007
37.	Piraeus Asset Management S.A.	Mutual Funds Management	100.00%	Greece	2005-2007
38.	Piraeus Buildings S.A.	Property Development	100.00%	Greece	2005-2007
39.	Piraeus Developer S.A.	Property Management	100.00%	Greece	2006-2007
40.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
41.	Euroinvestment & Finance Public LTD	Banking, Asset Management, real estate operations	90.79%	Cyprus	2002-2007
42.	Lakkos Mikelli Real Estate LTD	Property Management	50.65%	Cyprus	2005-2007
43.	Philoktimatiki Public LTD	Land and property development	53.26%	Cyprus	2005-2007
44.	Philoktimatiki Ergoliptiki LTD	Construction company	53.26%	Cyprus	2005-2007
45.	AGR Investments S.A.	Securitized Receivable Investments	100.00%	Greece	2005-2007
46.	New Evolution S.A.	Property, Tourism & Development Company	100.00%	Greece	2005-2007
47.	Imperial Stockbrokers Limited	Stock Exchange Operations	90.79%	Cyprus	2002-2007
48.	Imperial Eurobrokers Limited	Stock Exchange Operations	90.79%	Cyprus	2002-2007
49.	EMF Investors Limited	Investment company	90.79%	Cyprus	2002-2007

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a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
50.	Euroinvestment Mutual Funds Limited	Mutual Funds Management	90.79%	Cyprus	2002-2007
51.	Bull Fund Limited	Investment company	90.79%	Cyprus	2002-2007
52.	Good Works Energy Photovoltaics S.A.	Construction & Operation PV Solar Projects	33.15%	Greece	2005-2007
53.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2005-2007
54.	New Up Dating Development Real Estate and Tourism S.A.	Property, Tourism & Development Company	100.00%	Greece	2005-2007
55.	Sunholdings Properties Company LTD	Land and property development	26.63%	Cyprus	2005-2007
56.	Piraeus Cards S.A.	Financial services and consultancy	100.00%	Greece	2005-2007
57.	Polytropon Properties Limited	Land and property development	39.95%	Cyprus	2006-2007
58.	Shinefocus Limited	Land and property development	53.26%	Cyprus	1999-2007
59.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
60.	Maples Invest & Holding S.A.	Investment company	100.00%	British Virgin Islands	-
61.	Margetson Invest & Finance S.A.	Investment company	100.00%	British Virgin Islands	-
62.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
63.	Piraeus Insurance Brokerage EOOD	Insurance Brokerage	99.98%	Bulgaria	2007
64.	SSIF Piraeus Securities Romania S.A.	Stock Exchange Operations	99.33%	Romania	2007
65.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
66.	Piraeus Egypt Asset Management S.A.E.	Property Administration	85.71%	Egypt	2003-2007
67.	Piraeus Egypt Leasing Co.	Finance Leasing	95.30%	Egypt	2007
68.	Piraeus Egypt Brokerage Co.	Stock Exchange Operations	94.98%	Egypt	2007
69.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and Reinsurance Brokerage	100.00%	Romania	2007
70.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007
71.	Piraeus Leases S.A.	Finance Leasing	90.78%	Greece	2000-2007
72.	Iapetos Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007
73.	Phoebe Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007
74.	Orion Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007
75.	Astriaos Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007
76.	Multicollection Romania S.R.L.	Assessment and collection of commercial debts	51.00%	Romania	2006-2007
77.	Olympic Commercial & Tourist Enterprises S.A.	Operating Leasing	94.00%	Greece	-
78.	Piraeus Rent Doo Beograd	Operating Leasing	100.00%	Serbia	-
79.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
80.	Piraeus Leasing Doo Beograd	Financial Leasing	100.00%	Serbia	-
81.	Piraeus Real Estate Consultants Doo	Construction company	100.00%	Serbia	2006-2007
82.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007
83.	Piraeus Real Estate Egypt LLC	Construction company	99.80%	Egypt	2007
84.	Piraeus Bank Egypt Investment Company	Investment company	95.17%	Egypt	-
85.	Piraeus Best Leasing Bulgaria EAD	Auto Leasing	99.98%	Bulgaria	2007
86.	Piraeus Insurance Agency S.A.	Insurance Agency	100.00%	Greece	2007
87.	KL Real Estate S.A.	Real Estate Company	100.00%	Greece	-
88.	Estia Mortgage Finance III PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
89.	Piraeus Insurance Consultant	Insurance Brokerage	93.35%	Egypt	-
90.	Integrated Storage System Co.	Warehouse & Mail Distribution Management	80.97%	Egypt	2004-2007

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	2000-2007
2.	"Evros" Development Company S.A.	European community programs management	30.00%	Greece	2000-2007
3.	Stalko S.A.	Electrical equipment production	25.00%	Greece	2003-2007
4.	Delphi Advanced Research Technologies LTD	Information technology services	22.70%	Cyprus	2006-2007
5.	Project on Line S.A.	Information technology & software	40.00%	Greece	2004-2007
6.	Alexandria for Development and Investment	Investment company	20.98%	Egypt	-
7.	Nile Shoes Company	Footwear Seller- Manufacturer	37.51%	Egypt	2003-2007
8.	APE Commercial Property Real Estate Tourist & Develop.S.A.	Real estate, development/ tourist services	27.80%	Greece	2005-2007
9.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2005-2007
10.	Borg El Arab Company	Manufacturing vegetable oils & animal foods	26.20%	Egypt	-
11.	Trieris Real Estate LTD	Property Management	22.80%	British Virgin Islands	-
12.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece	2001-2007
13.	Hellenic Steel Company S.A.	Manufacturing and trading of steel products	30.83%	Greece	2001-2007
14.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	-
15.	Sciens International Investments & Holding S.A.	Holding Company	29.80%	Greece	2005-2007
16.	Ekathariseis Aktoploias S.A.	Ticket Settlements	49.00%	Greece	-
17.	Piraeus Real Estate Investment Property S.A.	Real estate investment property	33.80%	Greece	2006-2007

The changes in the portfolio of subsidiaries and associates are referred at note 20.

13 Due to customers

	30 September 2008	31 December 2007
Current and sight deposits	5,116,748	5,007,055
Savings account	3,630,339	3,572,553
Term deposits	17,565,603	12,353,526
Other accounts	454,274	264,141
Repurchase agreements	1,358,142	870,040
	28,125,105	22,067,315

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	30 September 2008	31 December 2007
Current due to customers	27,551,853	21,225,542
Non current due to customers	573,252	841,773
	28,125,105	22,067,315

14 Debt securities in issue

	Currency	Average interest rate (%)		30 September 2008	31 December 2007
		1/1-30/9/2008	2007		
ETBA bonds	EUR	4.65%	3.30%	2,995,114	793,972
Euro Commercial Paper (Short term securities)	EUR	4.80%	4.20%	2,086,198	2,559,822
	USD	3.87%	5.40%	127,354	206,206
	GBP	5.99%	5.75%	12,643	50,257
	CHF	3.14%	2.64%	17,037	20,788
	JPY	1.17%	1.00%	127,818	68,418
				2,371,051	2,905,491
Other debt securities	BGN	7.28%	5.33%	19,006	19,107
Euro Medium Term Note (Medium/ long term securities)			Interest rate (%)	30 September 2008	31 December 2007
€ 32.5 m. floating rate notes due 2010			Variable	705	738
€ 21.65 m. floating rate notes due 2010			Variable	430	1,350
€ 500 m. floating rate notes due 2010			Euribor + 0.30%	471,259	489,288
€ 2.15 m. floating rate notes due 2008			Variable	-	2,150
€ 3.43 m. floating rate notes due 2009			Variable	390	3,025
USD 15 m. floating rate notes due 2009			Libor + 0.10%	8,002	8,476
USD 20 m. floating rate notes due 2009			Libor + 0.20%	162	9,659
USD 15 m. floating rate notes due 2008			Libor + 0.05%	-	8,944
€ 500 m. floating rate notes due 2009			Euribor + 0.20%	483,618	492,361
€ 25 m. floating rate notes due 2008			Euribor + 0.15%	-	24,999
€ 60 m. floating rate notes due 2015			Variable	60,000	60,000
€ 20 m. floating rate notes due 2008			Euribor + 0.10%	-	12,907
€ 10 m. floating rate notes due 2013			Euribor + 0.30%	9,991	9,990
€ 500 m. floating rate notes due 2011			Euribor + 0.25%	451,784	455,257
€ 20 m. floating rate notes due 2008			Euribor + 0.05%	-	11,036
€ 5.05 m. floating rate notes due 2011			Variable	4,750	5,050
€ 50 m. floating rate notes due 2010			Euribor + 0.225%	50,000	50,000
€ 750 m. floating rate notes due 2010			Euribor + 0.20%	710,550	711,605
€ 53 m. floating rate notes due 2008			Euribor + 0.08%	-	53,000
€ 60 m. floating rate notes due 2008			Euribor + 0.05%	-	59,983
€ 20 m. floating rate notes due 2012			Euribor + 0.20%	19,972	19,966
€ 30 m. floating rate notes due 2008			Euribor + 0.05%	-	29,988
€ 20 m. floating rate notes due 2008			Euribor + 0.05%	-	19,989
€ 20 m. floating rate notes due 2008			Euribor + 0.05%	-	19,990
€ 20 m. floating rate notes due 2008			Euribor + 0.05%	-	19,991
€ 10 m. fixed rate notes due 2009			Fixed	-	10,000
€ 10 m. fixed rate notes due 2009			Fixed	-	10,000
€ 45 m. fixed/ floating rate notes due 2009			Fixed/ Euribor + 0.25%	45,000	-
€ 45 m. fixed/ floating rate notes due 2009			Fixed/ Euribor + 0.25%	45,000	-
€ 40 m. fixed/ floating rate notes due 2009			Fixed/ Euribor + 0.28%	40,000	-
€ 10 m. fixed/ floating rate notes due 2010			Fixed/ Euribor + 0.35%	3,612	-
Accrued interest and other expenses				7,941	10,248
				2,413,165	2,609,990
Securitisation of mortgage loans					
€ 750 m. floating rate notes due 2040			Euribor + 0.18%	350,024	444,600
€ 1,250 m. floating rate notes due 2054			Euribor + 0.18%	986,832	1,015,412
				1,336,856	1,460,012
Total debt securities in issue				9,135,191	7,788,572
				30 September 2008	31 December 2007
Current debt securities in issue				5,829,046	3,409,073
Non current debt securities in issue				3,306,145	4,379,499
				9,135,191	7,788,572

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. Euro Commercial Paper (ECP) short term securities issuance during the period 1/1/2008 - 30/9/2008, averaged at approximately € 2.8 billion with no significant changes in average maturity and spreads compared to previous periods.

Piraeus Bank undertook its first Residential Mortgage Backed Securitisation (RMBS) transaction, ESTIA I, on June 2005. ESTIA I had an outstanding value of € 750 million at issue and was undertaken through the UK-based special purpose vehicle Estia Mortgage Finance PLC. The bonds are callable by the issuer after 9 years and have an average cost of 3 month Euribor plus 18 basis points.

The second RMBS transaction, ESTIA II, was undertaken through the UK-based special purpose vehicle Estia Mortgage Finance II PLC on July, 2007. The € 1.25 billion bonds are callable by the issuer after 7 years and have an average cost of 3 month Euribor plus by 18 basis points.

The third RMBS transaction called ESTIA III was undertaken through the UK-based special purpose vehicle Estia Mortgage Finance III PLC on April, 2008. The € 800 million bonds are callable by the issuer after 7 years and have an average cost of 3 month Euribor plus by 45 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

Other debt securities have been issued by Piraeus Bank Bulgaria on 19/7/2004 (€ 3.6 million, non callable, with a fixed rate 6.67% and 5 years duration) and on 7/3/2007 (€ 15.3 million, non callable, with nominal coupon 3 month Sofibor plus 0.7%, with 3 years duration).

15 Hybrid capital and other borrowed funds

	Interest rate (%)	30 September 2008	31 December 2007
Hybrid capital (Tier I)			
€ 200 m. floating rate notes	Euribor + 1.25%	173,033	191,632
Accrued interest and other expenses		1,941	1,774
		174,974	193,406
Subordinated loans (Tier II)			
€ 400 m. floating rate notes due 2014	Euribor + 0.60%	384,481	393,650
€ 400 m. floating rate notes due 2016	Euribor + 0.55%	384,633	395,784
Accrued interest and other expenses		4,518	2,895
		773,632	792,329
Other borrowed funds (USD)	6.60%	3,569	3,502
Total hybrid capital and other borrowed funds		952,175	989,237

TIER I hybrid capital was issued by Piraeus Group Capital LTD in October 2004. These securities are callable by the issuer after 10 years and bear a nominal coupon of 3 month Euribor plus 125 basis points.

Lower Tier II subordinated debt was issued by Piraeus Group Finance PLC via the EMTN program. On 29/9/2004, an amount of € 400 million was issued, with a 10 year maturity, which is callable by the issuer after 5 years and bears a 3 month Euribor nominal coupon plus 60 basis points. On 20/7/2006, an amount of € 400 million was issued, with a 10 year maturity, which is callable after 5 years and bears a 3 month Euribor nominal coupon plus 55 basis points.

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. The balance of hybrid capital and other borrowed funds on 30/9/2008 (€ 952.2 million) is non current.

16 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Group as at 30/9/2008, are not expected to have any significant impact on the financial statements of the Group, according to the opinion of the legal affairs division of the Bank and its subsidiaries.

B) Credit commitments

As at 30/9/2008 the Group had the following capital commitments:

	30 September 2008	31 December 2007
Letters of guarantee	3,064,052	2,595,065
Letters of credit	384,410	243,875
Commitments to extend credit	12,220,957	11,756,868
	15,669,419	14,595,808

C) Assets pledged

	30 September 2008	31 December 2007
Balances with central banks	235	-
Trading securities	1,095,391	3,073,425
Investment securities	72,274	85,071
	1,167,900	3,158,496

D) Operating lease commitments and receivables

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

	30 September 2008	31 December 2007
Up to 1 year	36,978	37,150
From 1 to 5 years	169,059	150,901
More than 5 years	390,857	308,777
	596,894	496,828

17 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
At 1 January 2007	1,288,830	88,146	(97,302)	1,279,674
Issue of shares	322,208	994,481	-	1,316,689
Issue of share capital from the exercise of share options under the 2nd & 3rd share option plans	6,939	17,276	-	24,215
Purchases of treasury shares	-	-	(188,639)	(188,639)
Sales of treasury shares	-	-	24,417	24,417
Sale of pre - emption rights from treasury shares	-	-	10,662	10,662
At 31 December 2007	1,617,977	1,099,903	(250,862)	2,467,018
At 1 January 2008	1,617,977	1,099,903	(250,862)	2,467,018
Cancellation of treasury shares	(49,644)	(184,526)	234,170	0
Share capital increase due to reinvestment of dividends	3,589	12,398	-	15,987
Purchases of treasury shares	-	-	(110,291)	(110,291)
At 30 September 2008	1,571,923	927,775	(126,984)	2,372,714

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

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1st January 2007	270,195,031	(4,758,247)	265,436,784
Issue of shares	67,548,758	-	67,548,758
Issue of shares due to the exercise of share options	1,454,798	-	1,454,798
Purchases of treasury shares	-	(7,323,853)	(7,323,853)
Sales of treasury shares	-	1,000,000	1,000,000
Sale of pre - emption rights from treasury shares	-	-	-
Balance at 31st December 2007	339,198,587	(11,082,100)	328,116,487

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1st January 2008	339,198,587	(11,082,100)	328,116,487
Cancellation of treasury shares	(10,407,537)	10,407,537	0
Share capital increase due to reinvestment of dividends	752,478	-	752,478
Purchases of treasury shares	-	(5,879,083)	(5,879,083)
Balance at 30 September 2008	329,543,528	(6,553,646)	322,989,882

Piraeus Bank's registered shares are at a nominal value of € 4.77 each. The share capital is fully paid-in.

During the Annual General Meeting of shareholders of the Bank at 3/4/2008 it was decided, according to the article 16 of codified Law 2190/1920, the purchase of treasury shares through the Athens Stock Exchange up to a maximum number of 33,000,000 treasury shares, which is less than 10% of the Bank's total number of issued shares, including the shares that have already been acquired and held by the Bank or by any person executing on his account but for the Bank's interest. The minimum and maximum purchase price for the shares is between € 4 and € 40. The purchases of the treasury shares must be completed within twenty four months from the General Meeting resolution, that is the latest by 3/4/2010 and the treasury shares acquired may be distributed to the staff of the Bank or the staff of any affiliated company.

The 2nd Iterative Ordinary General Meeting of Piraeus Bank's shareholders, held on the 7/5/2008, resolved on the decrease of the Bank's share capital by € 49,643,951.49 by cancellation of 10,407,537 treasury shares, in order to fulfill the obligation undertaken in the Prospectus for the Bank's share capital increase dated 6/7/2007. Following the decrease, the share capital of the Bank amounted to € 1,568,333,308.50, divided into 328,791,050 shares of nominal value € 4.77 each.

In addition, the same General Meeting resolved on the increase of the Bank's share capital up to the amount of € 26,378,367.12 by issuing up to 5,530,056 new ordinary registered shares. The share capital increase was effected by cash contribution and provided the shareholders the option of reinvesting the dividend of the fiscal year 2007 (that remains following the deduction of the already paid interim dividend) that is € 0.36 per share. The new shares were issued at € 21.36 per share. The total reinvested dividend amounted to € 16,072,930.08. Consequently, the Bank's share capital increased by € 3,589,320.06, by issuing 752,478 new shares of nominal value of € 4.77 per share. The additional paid-in value of the shares amounting to € 12,483,610.02 minus the relevant share capital increase expenses, was credited to the share premium account.

Following all the above corporate acts, the Bank's share capital currently amounts to € 1,571,922,628.56, divided into 329,543,528 ordinary registered shares.

Share option plans

The terms of the two existing share option plans are described in the annual financial statements of the year 2007.

The 2nd Iterative Ordinary General Meeting at 7/5/2008 decided on the authorization of the Board of Directors, according to the article 13 par. 14 of codified Law 2190/1920, valid for a year, to establish a five-year stock option plan for the management and personnel of the Bank and its affiliated companies (as they are defined in article 42e of codified Law 2190/1920). The stock option plan enables the issue of new shares up to a total number of 5,000,000 shares (from which 1/5 will be vested each year). The stock option plan enables, additionally or alternatively, the allocation of existing treasury shares or shares acquired to that end. The minimum offering price of these shares shall be € 21.36 per share.

18 Other reserves, retained earnings and minority interest

	30 September 2008	31 December 2007
Legal reserve	72,553	65,374
Extraordinary reserve	1,205	1,205
Available for sale reserve	(91,483)	14,986
Currency translation reserve	(33,868)	(36,604)
Other reserves	6,993	8,978
Total other reserves	(44,601)	53,939
Retained earnings	862,577	561,058
Total other reserves and retained earnings	817,975	614,997
	30 September 2008	31 December 2007
Other reserves movement		
Opening balance for the period	53,939	163,650
Available for sale reserve	(106,469)	(94,651)
Transfer from retained earnings	-	1,239
Formation of legal reserve	7,179	23,862
Reserve for stock option plan	2,492	6,791
Transfer to share premium due to exercise of share options	-	(4,571)
Foreign exchange differences and other adjustments	(1,742)	(42,381)
Closing balance for the period	(44,601)	53,939
	30 September 2008	31 December 2007
Available for sale reserve movement		
Opening balance for the period	14,986	109,637
Gains/ (losses) from the valuation of available for sale bonds	(21,406)	(7,246)
Gains/ (losses) from the valuation of available for sale shares and mutual funds	(95,300)	43,145
Deferred income tax	28,853	28,830
Recycling of the accumulated fair value adjustment of disposed available for sale securities	(19,319)	(162,293)
Foreign exchange differences and other adjustments	703	2,913
Closing balance for the period	(91,483)	14,986
	30 September 2008	31 December 2007
Retained earnings movement		
Opening balance for the period	561,058	172,877
Profit after tax for the period attributable to the equity holders of Piraeus Bank	441,100	622,141
Prior year dividends	(118,122)	(86,462)
Interim dividend for the year 2007	-	(117,598)
Gains/ (losses) from sales of treasury shares	-	2,973
Transfer to other reserves	(7,179)	(25,101)
Acquisitions, absorptions and movement in subsidiaries holding	(12,885)	1,648
Differences from currency translations and other adjustments	(1,395)	(9,420)
Closing balance for the period	862,577	561,058

During the Annual General Meeting of shareholders of Piraeus Bank which was held on April 3, 2008, it was decided among other € 0.72 dividend per share for the year 2007 (the interim dividend mentioned below is included). Out of the total amount of dividend per share (€ 0.72), an interim dividend of € 0.36 per share was paid in December 2007 in accordance with the decision of the Board of Directors of 31/10/2007. The interim dividend (€ 0.36 per share) was recognised as a deduction in the Bank's equity during 2007.

The reduction in the minority interest from € 227.6 million at 31/12/2007 to € 165.2 million at 30/9/2008 is mainly due to the change in consolidation method of Piraeus Real Estate Investment Property S.A.

19 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%.

	Board of Directors members and key management personnel	
	30 September 2008	31 December 2007
Loans	281,878	177,459
Deposits	150,955	28,169

Letters of guarantee and letters of credit to the members of the board of directors and to the key management personnel as at 30/9/2008 are € 2.1 million (31/12/2007: € 11 million). The total income on loans to members of the board of directors and to key management personnel as at 30/9/2008 is € 10.5 million (1/1-30/9/2007: € 3.3 million). The total expense on deposits of the prementioned related parties as at 30/9/2008 is € 1.3 million (1/1-30/9/2007: € 0.8 million).

Loans and letters of guarantees issued to related parties represent an insignificant part of total loans and letters of guarantees 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.

	30 September 2008	30 September 2007
Director's remuneration		
Salaries and other remuneration	6,177	8,455
Post employment benefits	3,464	4,354
	9,641	12,809

The total cost for the share options granted to Board of Directors members and key management personnel is € 1.2 million (1/1-30/9/2007: € 2.4 million). The total amount of provisions for Board of Directors members and key management personnel is € 34 million as at 30/9/2008 (31/12/2007: € 32.7 million). This amount has been included in the retirement benefit obligation.

	Associates	
	30 September 2008	31 December 2007
Deposits	102,288	41,947
Loans	25,686	301
	1/1-30/9/2008	1/1-30/9/2007
Interest expense	(2,990)	(546)
Interest income	529	10

20 Changes in the portfolio of subsidiaries and associates

In the period from 1/1/2008 to 30/9/2008, the following changes took place in the Group's portfolio of subsidiaries and associates:

a) Acquisitions

On 25/1/2008, Piraeus Bank acquired, by its local subsidiary in Cyprus, Piraeus Bank Cyprus LTD, the branch network of Arab Bank in Cyprus for a consideration of € 15 million. The goodwill recorded initially from the above acquisition was approximately € 25 million. The allocation of the cost of the business combination to the identifiable assets acquired, liabilities and contingent liabilities assumed at fair values will be carried out according to the rules of IFRS 3 "Business combinations". The Group will complete the purchase price allocation exercise within 12 months from the date of acquisition of the branch network of Arab Bank in Cyprus, when the accounting of the acquisition will be finalized.

b) Participation in share capital increases

On 3/1/2008 and 24/1/2008 Piraeus Bank covered the total amount of share capital increases of Piraeus Bank Cyprus LTD with the amounts of € 2 million and € 47.4 million respectively, without altering its shareholding (100%).

On 30/1/2008 Piraeus Bank participated in the share capital increases of the associate company Trieris Real Estate Ltd in the amount of € 3.65 million without altering its shareholding (22.8%).

On 27/2/2008 and 23/7/2008 Piraeus Bank covered the total amount of share capital increases of Piraeus Bank Beograd A.D. with the amount of € 50 million without altering its shareholding (100%).

On 12/5/2008 it was fulfilled a share capital decrease of General Construction and Development Co. SA., during which amount of € 6 million were paid back in Piraeus Bank without altering its shareholding (66.67%).

On 25/6/2008 Piraeus Bank participated in the share capital increases of Marathon Banking Corporation in the amount of € 6.4 million increasing in this way its shareholding from 86.64% to 87.91%.

On 28/7/2008 Piraeus Bank participated in the share capital increases of Piraeus Bank Egypt S.A.E. in the amount of € 22.9 million, without altering its shareholding (95.4%).

On 29/7/2008 Piraeus Bank covered the total amount of share capital increases of Piraeus Factoring S.A. with the amount of € 6 million without altering its shareholding (100%).

On 6/8/2008 it was fulfilled a share capital decrease of Piraeus Leasing S.A., during which an amount of € 9.6 million were paid back in Piraeus Bank without altering its shareholding.

On 16/9/2008 Piraeus Leases S.A., 100% subsidiary of Piraeus Leasing S.A., decreased its share capital by a decrease in its share's face value. According to that, Piraeus Leasing S.A. received a share capital return of € 28.4 million without altering its shareholding.

On 29/7/2008 Piraeus Bank Egypt S.A.E. subsidiary of Piraeus Bank, participated in the share capital increases of Piraeus Egypt leasing Co. in the amount of € 2.4 million without altering its shareholding (99.93%).

On 30/9/2008, Piraeus Bank Egypt SAE, subsidiary of Piraeus Bank, participated in a share capital increase of Piraeus Insurance Consultant SAE in the amount of € 85.9 thousand without altering its shareholding (40%). Piraeus Bank Egypt Investment Co., 99.8% subsidiary of Piraeus Bank Egypt SAE, participated in the previous share capital increase in the amount of € 124.5 thousand without altering its shareholding (58%).

c) Increases of participation

Piraeus Bank increased its shareholding in Piraeus Leasing S.A. by 3.23% for a consideration of € 4.15 million, increasing in this way its shareholding to 90.78%.

On 1/2/2008, Piraeus Bank increased its shareholding in Euroinvestment & Finance LTD by 0.13% for a consideration of € 11 thousand, increasing in this way its shareholding to 90.79%.

Piraeus Bank increased its shareholding in Piraeus Real Estate Investment Property S.A. by 0.1%, for a consideration of € 130 thousand, increasing in this way its shareholding to 38.8%.

On 12/6/2008, European Reliance Gen. Insurance Co S.A., decreased its share capital by cancellation of treasury shares. Following the decrease, Piraeus Bank increased its shareholding from 30.00% to 30.23%.

On 22/9/2008 Piraeus Bank Egypt Investment Company, 99.8% subsidiary of Piraeus Bank Egypt S.A.E. acquired a 58% shareholding in Piraeus Insurance Consultant Egypt S.A.E. with the amount of € 79 thousand. It should be noted that Piraeus Bank Egypt S.A.E. has a 40% shareholding at Piraeus Insurance Consultant Egypt S.A.E.

On 22/9/2008, Bank Egypt Investment Company, 99.8% subsidiary of Piraeus Bank Egypt S.A.E., acquired a 45 % shareholding in Integrated Storage System Co., with the amount of € 144 thousand. It should be noted that Piraeus Bank Egypt S.A.E. has a 40% shareholding of Integrated Storage System Co.

d) Liquidation and disposal of shareholding percentages

On 1/2/2008 Piraeus Bank sold its shareholding (25%) in the associate company Etanal S.A. for a consideration of € 120 thousand.

On 6/3/2008, Ekathariseis Aktoploias S.A., 100% subsidiary of Piraeus ATFS S.A. was partly sold (49%) to Piraeus Bank for a consideration of € 32 thousand and the remaining (51%) was sold to third parties for a consideration of € 34 thousand.

On 25/9/2008, KL Real Estate S.A. , 100% subsidiary of Piraeus ATFS. S.A. was sold (100%) to Piraeus Bank for a consideration of € 66 thousand.

On 19/9/2008 Piraeus Bank sold 5% of its participation in Piraeus Real Estate Investment Property S.A. for a consideration of € 5.69 million, decreasing its shareholding to 33.8%. Resulting, Piraeus Real Estate Investing Property S.A. to be considered as an associate, as the requirements for consolidation under the full method of consolidation are no longer met.

e) Renames

Piraeus Bank's subsidiaries OJSC International Commerce Bank (ICB) and Phenillion Enterprises LTD have been renamed to OJSC Piraeus Bank ICB and Piraeus Bank Cyprus LTD respectively.

The Group's portfolio changes in subsidiaries for the period 1/1 - 30/9/2008 which are described above, are analysed in the table as follows:

	2008	2007
Participation in share capital increases	137,360	565,884
Incorporation of companies	16	2,552
Total participation in share capital increases and incorporation of companies	137,376	568,436
Increase of shareholding percentage in Group subsidiaries	4,520	16,540
Acquisition of subsidiaries	15,000	81,235
Less: Cash and cash equivalents of subsidiaries acquired	(176,173)	(33,239)
Total net cash inflow/ (outflow) from acquisition of subsidiaries and increase of shareholding percentage	(156,653)	64,536

During the period 1/1 - 30/9/2008, the goodwill raised from the acquisition of subsidiaries and the increase of shareholding in Group subsidiaries was € 26,211 thousand (2007: € 42,646 thousand).

21 Post Balance Sheet events

On 7/10/2008 Standard & Poor's credit rating agency affirmed Piraeus Bank's credit rating to BBB+, while it revised the outlook to stable from positive, on the basis of the conditions that are currently formed in the banking markets.

On 24/09/2008, Piraeus Bank S.A. submitted an optional public offer, that is currently in progress, concerning the acquisition of shares of the subsidiary, Piraeus Leasing S.A. This acquisition will be carried out by cash contribution of € 5.30 per share. On October 7th 2008 Capital Market Commission approved the public offer document and the acceptance period is scheduled to remain open from October 10th 2008 to November 7th 2008.

On October 13th 2008, the management of Piraeus Bank reached an agreement with the management of Proton Bank and shareholders representing 26.98% of its outstanding share capital to acquire the above stake via a share exchange transaction. The exchange ratio agreed was 1 Piraeus Bank share for every 5.5 shares of Proton Bank. The consideration to be paid by Piraeus Bank will be sourced from its Treasury Stock. The intention of the managements of the two banks is that, ultimately, Proton Bank will be merged into Piraeus Bank Group. The agreement signed between the parties is subject to approval by the competent regulatory authorities.

Athens, October 20th, 2008

CHAIRMAN OF THE BOARD OF DIRECTORS

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS
and MANAGING DIRECTOR

DEPUTY GENERAL MANAGER

MICHAEL G. SALLAS

THEODOROS N. PANTALAKIS

CONSTANTINOS I. LIAPIS