



## **PIRAEUS BANK GROUP**

# **Consolidated Interim Condensed Financial Information**

31 March 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 May 14th, 2008 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 2008	31 March 2007
Interest and similar income		823,457	553,898
Interest expense and similar charges		(557,062)	(360,874)
<b>NET INTEREST INCOME</b>		<b>266,394</b>	<b>193,024</b>
Fee and commission income		71,535	60,438
Fee and commission expense		(10,051)	(8,333)
<b>NET FEE AND COMMISSION INCOME</b>		<b>61,484</b>	<b>52,105</b>
Dividend income		1,577	358
Net trading income		12,892	1,440
Net income from financial instruments designated at fair value through profit or loss		1,797	15,266
Gains/ (Losses) from investment securities		9,834	157,693
Other operating income		56,753	38,604
<b>TOTAL NET INCOME</b>		<b>410,732</b>	<b>458,490</b>
Staff costs		(102,906)	(81,935)
Administrative expenses		(71,590)	(58,109)
Depreciation and amortisation		(20,512)	(15,356)
Gains/ (Losses) from sale of assets		2,601	221
Impairment losses on loans and receivables		(41,094)	(25,493)
Other provisions		(521)	(141)
<b>TOTAL OPERATING EXPENSES</b>		<b>(234,022)</b>	<b>(180,813)</b>
Share of profit of associates		784	(60)
<b>PROFIT BEFORE INCOME TAX</b>		<b>177,493</b>	<b>277,617</b>
Income tax expense	7	(35,104)	(25,299)
<b>PROFIT FOR THE PERIOD</b>		<b>142,389</b>	<b>252,318</b>
Profit for the period attributable to the equity holders of Piraeus Bank		138,540	248,171
Minority Interest		3,849	4,147
<b>Earnings per share attributable to equity holders (in euros):</b>			
-Basic	8	0.42	0.89
-Diluted	8	0.42	0.88

## CONSOLIDATED INTERIM BALANCE SHEET

	Note	31 March 2008	31 December 2007
<b>ASSETS</b>			
Cash and balances with central banks		3,152,001	3,400,169
Treasury bills and other eligible bills		218,522	214,819
Loans and advances to credit institutions		3,557,816	2,611,891
Derivative financial instruments - assets		114,940	83,216
Trading securities		3,321,012	4,506,731
Financial instruments at fair value through profit or loss		608,943	508,137
Loans and advances to customers (net of provisions)	9	33,274,178	30,288,785
Investment securities			
-Available for sale securities		740,251	1,383,628
-Held to maturity		96,040	110,356
Investments in associated undertakings		122,187	116,946
Intangible fixed assets		286,810	264,635
Property, plant and equipment		889,951	863,430
Investment property		705,989	692,799
Assets held for sale		4,440	4,696
Deferred tax assets		143,411	144,397
Inventories - property		190,694	182,743
Other assets		1,120,004	1,049,963
<b>TOTAL ASSETS</b>		<b>48,547,187</b>	<b>46,427,340</b>
<b>LIABILITIES</b>			
Due to credit institutions		9,013,169	10,705,784
Derivative financial instruments - liabilities		85,523	87,038
Due to customers	12	24,868,511	22,067,315
Debt securities in issue	13	8,957,692	7,788,572
Other borrowed funds	14	796,972	795,831
Hybrid capital	14	185,909	193,406
Retirement benefit obligations		187,142	169,604
Other provisions		31,972	3,750
Current income tax liabilities		69,124	97,851
Deferred tax liabilities		124,319	134,354
Other liabilities		913,286	1,074,256
<b>TOTAL LIABILITIES</b>		<b>45,233,620</b>	<b>43,117,761</b>
<b>EQUITY</b>			
Share capital	16	1,617,977	1,617,977
Share premium	16	1,099,903	1,099,903
Less: Treasury shares	16	(312,866)	(250,863)
Other reserves	17	(17,001)	53,939
Retained earnings	17	695,595	561,058
<b>Capital and reserves attributable to Piraeus Bank equity holders</b>		<b>3,083,609</b>	<b>3,082,015</b>
Minority Interest		229,959	227,565
<b>TOTAL EQUITY</b>		<b>3,313,567</b>	<b>3,309,579</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>48,547,187</b>	<b>46,427,340</b>

**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		
<b>Opening balance as at 1 January 2007</b>	<b>1,288,830</b>	<b>88,146</b>	<b>(97,302)</b>	<b>163,650</b>	<b>172,877</b>	<b>216,219</b>	<b>1,832,420</b>
Purchases of treasury shares			(94,431)				(94,431)
Sales of treasury shares			20,556		2,973		23,529
Available for sale reserve				(97,890)			(97,890)
Profit after tax for the first quarter of 2007					248,171	4,147	252,318
Transfers between other reserves and retained earnings				876	(876)		0
Reserve for stock option plan				1,696			1,696
Acquisitions, disposals and movement in subsidiaries holding				135	(584)	(611)	(1,060)
Currency translation differences and other adjustments				(1,224)	(1,970)	413	(2,781)
<b>Balance as at 31 March 2007</b>	<b>1,288,830</b>	<b>88,146</b>	<b>(171,177)</b>	<b>67,243</b>	<b>420,591</b>	<b>220,168</b>	<b>1,913,801</b>

Note	Attributable to equity holders					Minority interests	TOTAL
	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings		
<b>Opening balance as at 1 April 2007</b>	<b>1,288,830</b>	<b>88,146</b>	<b>(171,177)</b>	<b>67,243</b>	<b>420,591</b>	<b>220,168</b>	<b>1,913,801</b>
Issue of share capital by cash contribution	322,208	994,481					1,316,689
Issue of share capital due to the exercise of share options	6,939	17,276		(4,571)			19,644
Purchases of treasury shares			(94,208)				(94,208)
Sales of treasury shares and share options			14,523				14,523
Available for sale reserve				3,239			3,239
Profit after tax for the period 1/4/2007 - 31/12/2007					373,970	25,171	399,141
Dividend relating to the previous year					(86,462)	(7,643)	(94,105)
Interim dividend for year 2007					(117,598)		(117,598)
Transfer between other reserves and retained earnings				24,225	(24,225)		0
Reserve for stock option plans				5,095			5,095
Acquisitions, disposals and movement in subsidiaries holding				(487)	2,232	(12,019)	(10,274)
Currency translation differences and other adjustments				(40,805)	(7,450)	1,887	(46,368)
<b>Balance as at 31 December 2007</b>	<b>1,617,977</b>	<b>1,099,903</b>	<b>(250,862)</b>	<b>53,939</b>	<b>561,058</b>	<b>227,564</b>	<b>3,309,579</b>

<b>Opening balance as at 1 January 2008</b>	<b>1,617,977</b>	<b>1,099,903</b>	<b>(250,862)</b>	<b>53,939</b>	<b>561,058</b>	<b>227,564</b>	<b>3,309,579</b>
Purchases of treasury shares			(62,004)				(62,004)
Available for sale reserve				(46,897)			(46,897)
Profit after tax for the first quarter of 2008					138,540	3,849	142,389
Transfer between other reserves and retained earnings				1,920	(1,920)		0
Reserve for stock option plans				830			830
Acquisitions, disposals and movement in subsidiaries holding during the period				(7)	(15)	(429)	(451)
Currency translation differences and other adjustments				(26,786)	(2,068)	(1,025)	(29,879)
<b>Balance as at 31 March 2008</b>	<b>1,617,977</b>	<b>1,099,903</b>	<b>(312,866)</b>	<b>(17,001)</b>	<b>695,595</b>	<b>229,959</b>	<b>3,313,567</b>

**CONSOLIDATED INTERIM CASH FLOW STATEMENT**

	Note	From January 1st to	
		31 March 2008	31 March 2007
<i>Cash flows from operating activities</i>			
Profit before tax		177,493	277,617
<i>Adjustments to profit before tax</i>			
Add: impairment for loans and advances and other provisions		41,615	25,493
Add: depreciation and amortisation		20,512	15,356
Add: retirement benefits		8,736	4,888
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		19,222	10,705
(Gains)/ losses from investing activities		(41,517)	(178,178)
<i>Cash flows from operating profits before changes in operating assets and liabilities</i>		<b>226,061</b>	<b>155,881</b>
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		(71,349)	(4,215)
Net (increase)/ decrease in treasury bills and other eligible bills		104,689	31,333
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		682,930	(669,998)
Net (increase)/ decrease in loans and advances to Credit Institutions		434,683	(66,512)
Net (increase)/ decrease in loans and advances to customers		(2,918,030)	(2,075,517)
Net (increase)/ decrease in other assets		(70,097)	(15,514)
Net increase/ (decrease) in due to banks		(1,754,955)	358,792
Net increase/ (decrease) in amounts due to customers		2,530,593	1,769,121
Net increase/ (decrease) in other liabilities		(160,808)	(1,466)
<i>Net cash from operating activities before income tax payment</i>		(996,283)	(518,095)
Income tax paid		(1,991)	(1,776)
<b>Net cash inflow/ (outflow) from operating activities</b>		<b>(998,274)</b>	<b>(519,871)</b>
<i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment		(63,799)	(34,994)
Sales of property, plant and equipment		16,318	52,931
Purchases of intangible assets		(1,413)	(2,184)
Purchases of available for sale securities		(51,266)	(57,995)
Disposals of available for sale securities		617,881	535,104
Purchase of held to maturity securities		(3,638)	(14,692)
Maturity of held to maturity securities		15,667	10,714
Acquisition of subsidiaries (net of cash & cash equivalents acquired)	19	161,083	(25,566)
Disposals of subsidiaries (net of cash & cash equivalents disposed)	19	34	2,004
Acquisition of associates	19	(3,682)	-
Disposal of associates	19	120	4,853
Dividends receipts		813	237
<b>Net cash inflow/ (outflow) from investing activities</b>		<b>688,118</b>	<b>470,412</b>
<i>Cash flows from financing activities</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		1,162,764	1,355,834
Purchases of treasury shares	16	(62,004)	(94,431)
Sales of treasury shares		-	23,529
Other cashflows from financing activities		3,724	10,724
<b>Net cash inflow/ (outflow) from financing activities</b>		<b>1,104,484</b>	<b>1,295,656</b>
Effect of exchange rate changes on cash and cash equivalents		(6,594)	(1,123)
<b>Net increase/ (decrease) in cash and cash equivalents of the period</b>		<b>787,734</b>	<b>1,245,074</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>5,062,568</b>	<b>4,381,289</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>5,850,302</b>	<b>5,626,363</b>

## 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 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 13,115 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, FTSE4Good Index and Kempen SNS Smaller Europe SRI 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.

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 guarantees, etc.).

**Investment Banking** - This segment includes activities related to investment banking facilities of the Bank and its subsidiaries (investment and 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:

<b>1st Quarter 2008</b>	<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>
Revenues	468,116	164,692	11,433	272,979	60,625	-	977,845
Revenues from other business segments	68,297	6,932	347	319	124,386	(200,281)	0
<b>Total revenues</b>	<b>536,413</b>	<b>171,624</b>	<b>11,780</b>	<b>273,298</b>	<b>185,011</b>	<b>(200,281)</b>	<b>977,845</b>
Net revenues	347,459	72,542	8,735	35,496	(53,500)	-	410,732
Net revenues from other business segments	(79,897)	(9,448)	(2,317)	(1,222)	107,206	(14,322)	0
<b>Total net revenues</b>	<b>267,562</b>	<b>63,094</b>	<b>6,418</b>	<b>34,274</b>	<b>53,706</b>	<b>(14,322)</b>	<b>410,732</b>
<b>Segment results</b>	<b>102,269</b>	<b>23,083</b>	<b>4,713</b>	<b>27,179</b>	<b>19,465</b>	-	<b>176,709</b>
Share of profit of associates							784
<b>Profit before tax</b>							<b>177,493</b>
Income tax expense							(35,104)
<b>Profit after tax</b>							<b>142,389</b>
<b>Other segment items</b>							
Capital expenditure	45,462	9,423	70	64	10,193	-	65,212
Depreciation and amortisation	10,065	1,530	159	172	8,586	-	20,512
Impairment charge - loans	28,839	9,284	53	0	2,918	-	41,094
<b>1st Quarter 2007</b>	<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>
Revenues	308,707	103,889	28,559	180,119	206,423	-	827,697
Revenues from other business segments	43,170	5,044	513	29	67,208	(115,964)	0
<b>Total revenues</b>	<b>351,877</b>	<b>108,933</b>	<b>29,072</b>	<b>180,148</b>	<b>273,631</b>	<b>(115,964)</b>	<b>827,697</b>
Net revenues	242,165	46,590	23,975	24,567	121,194	-	458,491
Net revenues from other business segments	(33,166)	(7,341)	(2,822)	(2,269)	58,955	(13,358)	(1)
<b>Total net revenues</b>	<b>208,999</b>	<b>39,249</b>	<b>21,153</b>	<b>22,298</b>	<b>180,149</b>	<b>(13,358)</b>	<b>458,490</b>
<b>Segment results</b>	<b>71,653</b>	<b>11,427</b>	<b>20,666</b>	<b>13,825</b>	<b>160,106</b>	-	<b>277,677</b>
Share of profit of associates							(60)
<b>Profit before tax</b>							<b>277,617</b>
Income tax expense							(25,299)
<b>Profit after tax</b>							<b>252,318</b>
<b>Other segment items</b>							
Capital expenditure	5,100	2,067	169	53	29,789	-	37,178
Depreciation and amortisation	7,951	1,456	292	210	5,447	-	15,356
Impairment charge - loans	18,139	6,049	-	-	1,305	-	25,493



	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group
<b>At 31 March 2008</b>							
Segment assets	24,042,631	10,408,853	153,854	10,430,573	3,511,276	-	<b>48,547,187</b>
Segment liabilities	14,752,316	2,988,625	113,799	17,770,602	9,608,278	-	<b>45,233,620</b>
<b>At 31 December 2007</b>							
Segment assets	22,334,173	9,263,542	130,416	11,332,738	3,366,471	-	<b>46,427,340</b>
Segment liabilities	13,372,301	1,110,708	124,121	19,237,790	9,272,841	-	<b>43,117,761</b>

Other business segments results for the first quarter of 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 first quarter of 2008, gains less losses from investment securities amount to € 9.8 million (31/3/2007: € 157.7 million). It should be noted that during the period 1/1 - 31/3/2007 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

	1st Quarter 2008	1st Quarter 2007
Current Tax	(26,376)	(15,255)
Deferred tax	(8,728)	(10,044)
	<b>(35,104)</b>	<b>(25,299)</b>

The tax rate for Greek legal entities, in accordance with the provisions in force of article 109, par. 1 of Law 2238/1994, amounts to 25% for the years 2007 and 2008.

Tax authorities have audited Piraeus Bank's tax position for the years up to and including 2003. The unaudited tax years of the subsidiaries are included in note 11. For the unaudited tax years, a provision has been raised according to International Financial Reporting Standards (IFRS).

For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that was imposed in the fiscal years of 2007 and 2008 (Bulgaria: 10%, Romania: 16%, U.S.A.: 35%, Serbia: 10%, Ukraine: 25% and Egypt: 20%). The nominal tax rate in Albania has decreased from 20% in 2007 to 10% in 2008.

## 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 (note 16) is the only case of dilutive potential ordinary shares for the Group. Specifically, on the weighted average number of ordinary shares used for the calculation of the basic earnings per share is added the difference in the number of shares that arises from the comparison of a) the number of shares that would have been issued at fair value based on the consideration received from the exercise of the share options and b) the number of shares issued due to the exercise of the share options.

	1st Quarter 2008	1st Quarter 2007
<b>Basic earnings per share</b>		
Net profit attributable to shareholders	138,540	248,171
Weighted average number of shares in issue	326,805,958	278,913,095
Basic earnings per share (in euro)	0.42	0.89
<b>Diluted earnings per share</b>		
Net profit attributable to shareholders	138,540	248,171
Weighted average number of shares in issue	326,805,958	278,913,095
Adjustment for share options	886,974	1,940,910
Weighted average number of shares in issue for the diluted earnings per share calculation	327,692,932	280,854,005
Diluted earnings per share (in euro)	0.42	0.88

According to the requirements of IAS 33, the weighted average number of shares has been adjusted with a factor of 1,0552 for the comparative period of 2007 in order to adjust earnings per share (basic and diluted) for the discount price of the rights issue share capital increase that took place during September 2007.

## 9 Loans and advances to customers

	31 March 2008	31 December 2007
<b>Loans to individuals</b>		
Mortgages	6,075,754	5,743,069
Consumer/ personal and other loans	4,009,556	3,717,054
Credit cards	649,415	618,665
	<b>10,734,725</b>	<b>10,078,788</b>
<b>Loans to corporate entities</b>	<b>23,001,055</b>	<b>20,626,020</b>
<b>Total loans and advances to customers</b>	<b>33,735,780</b>	<b>30,704,809</b>
Less: Allowance for losses (impairment) on loans and advances to customers	(461,602)	(416,024)
<b>Total loans and advances to customers (less allowances for losses)</b>	<b>33,274,178</b>	<b>30,288,785</b>
Current loans and advances to customers	12,593,854	12,904,404
Non current loans and advances to customers	20,680,324	17,384,381
	<b>33,274,178</b>	<b>30,288,785</b>

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

#### a) Loans to individuals

	Mortgages	Consumer/ personal and other loans	Credit cards	Total
<b>Balance at 1 January 2007</b>	<b>9,880</b>	<b>102,663</b>	<b>16,295</b>	<b>128,838</b>
Charge for the period	1,507	5,505	2,711	9,723
Loans written-off	-	(22,644)	(407)	(23,051)
Foreign exchange differences	(13)	(663)	(1)	(677)
<b>Balance at end of period 31/3/2007</b>	<b>11,374</b>	<b>84,861</b>	<b>18,598</b>	<b>114,833</b>
<b>Balance at 1 April 2007</b>	<b>11,374</b>	<b>84,861</b>	<b>18,598</b>	<b>114,833</b>
Opening balance of new subsidiaries	-	34	-	34
Charge for the period	3,735	42,513	11,410	57,658
Loans written-off	-	(4,839)	-	(4,839)
Foreign exchange differences	410	(1,488)	118	(960)
<b>Balance at end of year 31/12/2007</b>	<b>15,519</b>	<b>121,081</b>	<b>30,126</b>	<b>166,726</b>
<b>Balance at 1 January 2008</b>	<b>15,519</b>	<b>121,081</b>	<b>30,126</b>	<b>166,726</b>
Opening balance of new subsidiaries	-	1,574	180	1,754
Charge for the period	4,014	14,735	3,828	22,577
Loans written-off	(4)	(1,707)	(1)	(1,712)
Foreign exchange differences	(31)	(1,100)	(123)	(1,254)
<b>Balance at end of period 31/3/2008</b>	<b>19,498</b>	<b>134,583</b>	<b>34,010</b>	<b>188,091</b>

#### b) Loans to corporate entities

<b>Balance at 1 January 2007</b>	<b>248,994</b>
Charge for the period	15,850
Loans written-off	(33,474)
Foreign exchange differences and other movements	(28)
<b>Balance at end of period 31/3/2007</b>	<b>231,342</b>
<b>Balance at 1 April 2007</b>	<b>231,342</b>
Opening balance of new subsidiaries	1,327
Charge for the period	24,960
Loans written-off	(8,980)
Foreign exchange differences and other movements	649
<b>Balance at end of year 31/12/2007</b>	<b>249,298</b>
<b>Balance at 1 January 2008</b>	<b>249,298</b>
Opening balance of new subsidiaries	10,397
Charge for the period	16,295
Loans written-off	(938)
Foreign exchange differences	(1,541)
<b>Balance at end of period 31/3/2008</b>	<b>273,511</b>

The charge for the first quarter of 2008 (€ 41,094 thousand) in the income statement includes amount of € 2.2 million which relates to impairment of other assets. The charge for the first quarter of 2007 (€ 25,493 thousand) in the income statement includes amount of € 80 thousand which relates to reversal of provisions in other assets.

## 10 Investment securities

Investment securities decreased, from € 1,383.6 million as at 31/12/2007 to € 740.3 million as at 31/3/2008, mainly due to the sale of Eurozone's government bonds.

## 11 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

### A) Subsidiaries companies

a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Marathon Banking Corporation	Banking Activities	86.64%	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	87.61%	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	-
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.	Finance 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.	Piraeus Real Estate Investment Property S.A.	Real estate investment property	38.72%	Greece	2006-2007
25.	Bulfina S.A.	Property Management	100.00%	Bulgaria	2003-2007
26.	Piraeus ATFS S.A.	Accounting and tax consulting	100.00%	Greece	2007
27.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece	2005-2007
28.	Piraeus Best Leasing S.A.	Auto Leasing	42.13%	Greece	2003-2007
29.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece	2005-2007
30.	Exodus S.A.	Information technology & software	50.10%	Greece	2005-2007
31.	Komotini Real Estate Development S.A.	Property Management	100.00%	Greece	2006-2007
32.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2005-2007
33.	ND Development S.A.	Property Management	100.00%	Greece	2002-2007
34.	Property Horizon S.A.	Property Management	100.00%	Greece	2003-2007
35.	ETBA Industrial Estates S.A.	Development/ Management of Industrial Areas	65.00%	Greece	2006-2007
36.	Piraeus Property S.A.	Property Management	100.00%	Greece	2005-2007
37.	Piraeus Development S.A.	Property Management	100.00%	Greece	2005-2007
38.	Piraeus Asset Management S.A.	Mutual Funds Management	100.00%	Greece	2005-2007
39.	Piraeus Buildings S.A.	Property Development	100.00%	Greece	2005-2007
40.	Piraeus Developer S.A.	Property Management	100.00%	Greece	2005-2007
41.	Estia Mortgage Finance PLC	Special purpose entity for securitis. of mortgage loans	-	United Kingdom	-
42.	Euroinvestment & Finance Public LTD	Banking, Asset Management, real estate operations	90.79%	Cyprus	2002-2007
43.	Lakkos Mikelli Real Estate LTD	Property Management	50.65%	Cyprus	2005-2007
44.	Philoktimatiki Public LTD	Land and property development	53.26%	Cyprus	2005-2007
45.	Philoktimatiki Ergoliptiki LTD	Construction company	53.26%	Cyprus	2005-2007
46.	AGR Investments S.A.	Securitized Receivable Investments	100.00%	Greece	2005-2007
47.	New Evolution S.A.	Investment company	100.00%	Greece	2005-2007
48.	Imperial Stockbrokers Limited	Stock Exchange Operations	90.79%	Cyprus	2002-2007
49.	Imperial Eurobrokers Limited	Stock Exchange Operations	90.79%	Cyprus	2002-2007
50.	EMF Investors Limited	Investment company	90.79%	Cyprus	2002-2007
51.	Euroinvestment Mutual Funds Limited	Mutual Funds Management	90.79%	Cyprus	2002-2007
52.	Bull Fund Limited	Investment company	90.79%	Cyprus	2002-2007
53.	Good Works Energy Photovoltaics S.A.	Construction & Operation PV Solar Projects	33.15%	Greece	2005-2007
54.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2005-2007
55.	New Up Dating Development Real Estate and Tourism S.A.	Property, Tourism & Development Company	100.00%	Greece	2005-2007
56.	Sunholdings Properties Company LTD	Land and property development	26.63%	Cyprus	2005-2007
57.	Piraeus Cards S.A.	Financial services and consultancy	100.00%	Greece	2005-2007
58.	Polytropon Properties Limited	Land and property development	39.95%	Cyprus	2006-2007
59.	Shinefocus Limited	Land and property development	39.95%	Cyprus	1999-2007
60.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
61.	Maples Invest & Holding S.A.	Investment company	100.00%	British Virgin Islands	-
62.	Margetson Invest & Finance S.A.	Investment company	100.00%	British Virgin Islands	-

**Piraeus Bank Group - 31 March 2008**  
Amounts in thousand euros (Unless otherwise stated)

a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
63.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
64.	Piraeus Insurance Brokerage EOOD	Insurance Brokerage	99.98%	Bulgaria	2007
65.	SSIE Piraeus Securities Romania S.A.	Stock Exchange Operations	99.33%	Romania	2007
66.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
67.	Piraeus Egypt Asset Management S.A.E.	Property Administration	85.71%	Egypt	2003-2007
68.	Piraeus Egypt Leasing Co.	Finance Leasing	95.30%	Egypt	2007
69.	Piraeus Egypt Brokerage Co.	Stock Exchange Operations	94.98%	Egypt	2007
70.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and Reinsurance Brokerage	100.00%	Romania	2007
71.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007
72.	Piraeus Leases S.A.	Finance Leasing	87.61%	Greece	2000-2007
73.	Iapetos Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	-
74.	Phoebe Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	-
75.	Orion Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	-
76.	Astraios Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	-
77.	Multicollection Romania S.R.L.	Assessment and collection of commercial debts	51.00%	Romania	-
78.	Olympic Commercial & Tourist Enterprises S.A.	Operating Leasing	94.00%	Greece	2006-2007
79.	Piraeus Rent Doo Beograd	Operating Leasing	100.00%	Serbia	-
80.	Estia Mortgage Finance II PLC	Special purpose entity for securitis. of mortgage loans	-	United Kingdom	-
81.	Piraeus Leasing Doo Beograd	Financial Leasing	100.00%	Serbia	-
82.	Piraeus Real Estate Consultants Doo	Construction company	100.00%	Serbia	-
83.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	-
84.	Piraeus Real Estate Egypt LLC	Construction company	99.80%	Egypt	-
85.	Piraeus Bank Egypt Investment Company	Investment company	95.17%	Egypt	-
86.	Piraeus Best Leasing Bulgaria EAD	Auto Leasing	99.98%	Bulgaria	-
87.	Piraeus Insurance Agency S.A.	Insurance Agency	100.00%	Greece	-
88.	KL Real Estate S.A.	Real Estate Company	100.00%	Greece	-

**B) Associate companies**

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	1999-2007
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	2000-2007
6.	Alexandria for Development and Investment	Investment company	20.98%	Egypt	2004-2007
7.	Nile Shoes Company	Footwear Seller- Manufacturer	37.51%	Egypt	2003-2007
8.	Piraeus Insurance Consultant	Insurance Brokerage	38.15%	Egypt	2003-2007
9.	Integrated Storage System Co.	Warehouse& Mail Distribution Management	38.15%	Egypt	2004-2007
10.	APE Commercial Property Real Estate Tourist & Develop.S.A.	Real estate, development/tourist services	27.80%	Greece	2005-2007
11.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/tourist services	27.80%	Greece	2005-2007
12.	Borg El Arab Company	Manufacturing vegetable oils & animal foods	26.20%	Egypt	-
13.	Trieris Real Estate LTD	Property Management	22.80%	British Virgin Islands	-
14.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.00%	Greece	2001-2007
15.	Hellenic Steel Company S.A.	Manufacturing and trading of steel products	30.83%	Greece	2001-2007
16.	APE Investment Property S.A.	Real estate, development/tourist services	27.20%	Greece	-
17.	Sciens International Investments & Holding S.A.	Holding Company	29.80%	Greece	2005-2007
18.	Ekathariseis Aktoploias S.A.	Ticket Settlements	49.00%	Greece	-

**12 Due to customers**

	31 March 2008	31 December 2007
Current and sight deposits	5,291,700	5,007,055
Savings account	3,429,844	3,572,553
Term deposits	14,452,083	12,353,526
Other accounts	367,986	264,141
Repurchase agreements	1,326,898	870,040
	<b>24,868,511</b>	<b>22,067,315</b>
Current due to customers	24,329,420	21,225,542
Non current due to customers	539,091	841,773
	<b>24,868,511</b>	<b>22,067,315</b>

### 13 Debt securities in issue

	Currency	Average interest rate (%)		31 March 2008	31 December 2007
		1st Quarter 2008	2007		
<b>ETBA bonds</b>	EUR	4.06%	3.30%	<b>1,625,886</b>	<b>793,972</b>
<b>Euro Commercial Paper (Short term securities)</b>	EUR	4.65%	4.20%	2,897,929	2,559,822
	USD	4.59%	5.40%	266,479	206,206
	GBP	-	5.75%	-	50,257
	CHF	3.18%	2.64%	12,431	20,788
	JPY	1.12%	1.00%	114,276	68,418
				<b>3,291,115</b>	<b>2,905,491</b>
<b>Other debt securities</b>	BGN	5.36%	5.33%	<b>18,994</b>	<b>19,107</b>
<b>Euro Medium Term Note (Medium/ long term securities)</b>					
			Interest rate (%)		
€ 32.5 m. floating rate notes due 2010			Variable	705	738
€ 21.65 m. floating rate notes due 2010			Variable	1,350	1,350
€ 500 m. floating rate notes due 2010			Euribor + 0.30	484,625	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	8,340	8,476
USD 20 m. floating rate notes due 2009			Libor + 0.20	6,469	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	498,368	492,361
€ 25 m. floating rate notes due 2008			Euribor + 0.15	25,000	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	9,990	9,990
€ 500 m. floating rate notes due 2011			Euribor + 0.25	454,081	455,257
€ 20 m. floating rate notes due 2008			Euribor + 0.05	10,994	11,036
€ 5.05 m. floating rate notes due 2011			Variable	5,050	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	709,984	711,605
€ 53 m. floating rate notes due 2008			Euribor + 0.08	-	53,000
€ 60 m. floating rate notes due 2008			Euribor + 0.05	59,992	59,983
€ 20 m. floating rate notes due 2012			Euribor + 0.20	19,968	19,966
€ 30 m. floating rate notes due 2008			Euribor + 0.05	29,993	29,988
€ 20 m. floating rate notes due 2008			Euribor + 0.05	19,999	19,989
€ 20 m. floating rate notes due 2008			Euribor + 0.05	19,999	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	6,454	-
Accrued interest and other expenses				7,729	10,248
				<b>2,619,480</b>	<b>2,609,990</b>
<b>Securitisation of mortgage loans</b>					
€ 750 m. floating rate notes due 2040			Euribor + 0.18	405,924	444,600
€ 1,250 m. floating rate notes due 2054			Euribor + 0.18	996,293	1,015,412
				<b>1,402,217</b>	<b>1,460,012</b>
<b>Total debt securities in issue</b>				<b>8,957,692</b>	<b>7,788,572</b>
				<b>31 March 2008</b>	<b>31 December 2007</b>
Current debt securities in issue				5,766,328	3,409,073
Non current debt securities in issue				3,191,364	4,379,499
				<b>8,957,692</b>	<b>7,788,572</b>

Issuance under Euro Commercial Paper and Euro Medium Term Note programs is undertaken through the subsidiary Piraeus Group Finance PLC. Euro Commercial Paper (ECP) short term securities issued during the first quarter of 2008, averaged above € 3 billion with no significant changes in average maturity or spreads. Euro Medium Term Note (EMTN) issuance activity during the first quarter of 2008, included private placements.

Piraeus Bank undertook its first Residential Mortgage Backed Securitisation (RMBS) transaction in 2005. It 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.

Piraeus Bank successfully completed its second RMBS transaction 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 18 basis points.

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 milion, non callable, with nominal coupon 3 month Sofibor plus 0.7%, with 3 years duration).

#### 14 Hybrid capital and other borrowed funds

	Interest rate (%)	31 March 2008	31 December 2007
<b>Hybrid capital (Tier I)</b>			
€ 200 m. floating rate notes	Euribor + 1.25	184,389	191,632
Accrued interest and other expenses		1,520	1,774
		<b>185,909</b>	<b>193,406</b>
<b>Subordinated debt (Tier II)</b>			
€ 400 m. floating rate notes due 2014	Euribor + 0.60	398,247	393,650
€ 400 m. floating rate notes due 2016	Euribor + 0.55	392,787	395,784
Accrued interest and other expenses		2,673	2,895
		<b>793,707</b>	<b>792,329</b>
<b>Other borrowed funds (USD)</b>	6.60%	<b>3,265</b>	<b>3,502</b>
<b>Total hybrid capital and other borrowed funds</b>		<b>982,881</b>	<b>989,237</b>

Tier I hybrid capital has been 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 has been issued by Piraeus Group Finance PLC via the EMTN program. In September 2004 an amount of € 400 million was issued with a 10 year maturity, callable by the issuer after year 5, bearing a coupon of 3 month Euribor plus 60 basis points. In July 2006, an amount of € 400 million was issued with a 10 year maturity, callable by the issuer after year 5, bearing a coupon of 3 month Euribor plus 55 basis points.

Marathon Bank issued borrowed funds on 15/12/2006, with a duration of 30 years, callable or repriced every 5th anniversary and with a fixed coupon of 6.60%.

Accrued interest on hybrid capital and other borrowed funds is included in the respective amounts of hybrid capital and other borrowed funds. The Group does not have any defaults of principal, interest or redemption amounts of hybrid capital and other borrowed funds. Hybrid capital and other borrowed funds as at 31/3/2008 (€ 982,9 million) refers to balances of over one year.

#### 15 Contingent liabilities and commitments

##### A) Legal procedures

The legal proceedings outstanding against the Group as at 31/03/2008, 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 31/03/2008 the Group had the following capital commitments:

	31 March 2008	31 December 2007
Letters of guarantee	2,963,594	2,595,065
Letters of credit	287,469	243,875
Commitments to extent credit	12,444,325	11,756,868
	<b>15,695,388</b>	<b>14,595,808</b>

C) Assets pledged

	31 March 2008	31 December 2007
Balances with central banks	224	-
Trading securities	566,605	3,073,425
Investment securities	50,855	85,071
	<b>617,684</b>	<b>3,158,496</b>

D) Operating lease commitments and receivables

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

	31 March 2008	31 December 2007
Up to 1 year	39,036	37,150
From 1 to 5 years	155,177	150,901
More than 5 years	315,544	308,777
	<b>509,757</b>	<b>496,828</b>

**16 Share capital**

	Share Capital	Share Premium	Treasury Shares	Total
<b>At 1 January 2007</b>	<b>1,288,830</b>	<b>88,146</b>	<b>(97,302)</b>	<b>1,279,674</b>
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
<b>At 31 December 2007</b>	<b>1,617,977</b>	<b>1,099,903</b>	<b>(250,862)</b>	<b>2,467,018</b>
<b>At 1 January 2008</b>	<b>1,617,977</b>	<b>1,099,903</b>	<b>(250,862)</b>	<b>2,467,018</b>
Purchases of treasury shares	-	-	(62,004)	(62,004)
<b>At 31 March 2008</b>	<b>1,617,977</b>	<b>1,099,903</b>	<b>(312,866)</b>	<b>2,405,014</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 2007</b>	<b>270,195,031</b>	<b>(4,758,247)</b>	<b>265,436,784</b>
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	-	-	-
<b>Balance at 31st December 2007</b>	<b>339,198,587</b>	<b>(11,082,100)</b>	<b>328,116,487</b>

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
<b>Opening balance at 1st January 2008</b>	<b>339,198,587</b>	<b>(11,082,100)</b>	<b>328,116,487</b>
Purchases of treasury shares	-	(3,198,338)	(3,198,338)
<b>Balance at 31 March 2008</b>	<b>339,198,587</b>	<b>(14,280,438)</b>	<b>324,918,149</b>

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

During the Annual General Meeting of shareholders of the Bank at 3/4/2007 it was decided, according to the article 16 par. 5 -14 of codified Law 2190/1920, the purchase of treasury shares in order to support the Bank's share price at the stock exchange, up to a total number of 27,019,503 shares, which is 10% of the total number of the Bank's issued shares. The minimum and maximum purchase price for the shares is between € 5 and € 40, while the purchase must take place the latest by 3/4/2008. If these shares are not sold within the period of three years or not distributed to staff, they must be cancelled according to the special procedure provided by Law 2190 and the decisions made by the Athens Stock Exchange.

**Share option plans**

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

## 17 Other reserves and retained earnings

	<b>31 March 2008</b>	<b>31 December 2007</b>
Legal reserve	67,294	65,374
Extraordinary reserve	1,205	1,205
Available for sale reserve	(31,911)	14,986
Currency translation reserve	(61,690)	(36,604)
Other reserves	8,101	8,978
<b>Total other reserves</b>	<b>(17,001)</b>	<b>53,939</b>
Retained earnings	695,595	561,058
<b>Total other reserves and retained earnings</b>	<b>678,594</b>	<b>614,997</b>
	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Other reserves movement</b>		
Opening balance for the period	53,939	163,650
Available for sale reserve	(46,897)	(94,651)
Transfer from retained earnings	-	1,239
Formation of legal reserve	1,920	23,862
Reserve for stock option plan	830	6,791
Transfer to share premium due to exercise of share options	-	(4,571)
Foreign exchange differences and other adjustments	(26,793)	(42,381)
<b>Closing balance for the period</b>	<b>(17,001)</b>	<b>53,939</b>
	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Available for sale reserve movement</b>		
Opening balance for the period	14,986	109,637
Gains/ (losses) from the valuation of available for sale bonds	(1,980)	(7,246)
Gains/ (losses) from the valuation of available for sale shares	(59,823)	43,145
Deferred income tax	15,177	28,830
Recycling of the accumulated fair value adjustment of disposed available for sale securities	(1,704)	(162,293)
Foreign exchange differences and other adjustments	1,433	2,913
<b>Closing balance for the period</b>	<b>(31,911)</b>	<b>14,986</b>
	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Retained earnings movement</b>		
Opening balance for the period	561,058	172,877
Profit after tax for the period attributable to the equity holders of Piraeus Bank	138,540	622,141
Prior year dividends	-	(86,462)
Interim dividend for the year	-	(117,598)
Gains/ (losses) from sales of treasury shares	-	2,973
Transfer to other reserves	(1,920)	(25,101)
Acquisitions, absorptions and movement in subsidiaries holding	(15)	1,648
Differences from currency translations and other adjustments	(2,068)	(9,420)
<b>Closing balance for the period</b>	<b>695,595</b>	<b>561,058</b>

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 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.

## 18 Related party transactions

Related parties include a) Members of the Bank Board of Directors and key management personnel of the Bank b) Members of the Board of Directors / key management personnel of Group Subsidiaries c) Close family and financially dependants (husbands, wives, children etc) of Board of Directors members and key management personnel d) companies having transactions with Piraeus Bank Group, when 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 2008</b>	<b>31 December 2007</b>
Loans	266,834	177,459
Deposits	111,006	28,169



Letters of guarantees and letters of credits to the members of the board of directors and to the key management personnel as at 31/3/2008 are € 4.7 million (31/12/2007: € 11 million). The total income on loans to members of the board of directors and to key management personnel for the first quarter of 2008 is € 3.4 million (first quarter of 2007: € 1.6 million). The expense from deposits of the prementioned related parties is € 0.4 million (first quarter of 2007: € 0.3 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 guarantees 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.

	31 March 2008	31 March 2007
<b>Directors' remuneration</b>		
Salaries and other remuneration	4,080	2,434

It should be noted that directors' remuneration for the first quarter of 2008 relates to 39 directors compared to 24 directors for the first quarter of 2007.

The total cost for the share options granted to Board of Directors members and key management personnel is € 0.4 million (first quarter of 2007: € 0.8 million). The total amount of provisions for Board of Directors members and key management personnel is € 34.2 million as at 31/3/2008 (31/12/2007: € 32.7 million). This amount has been included in retirement benefit obligation.

	Associates	
	31 March 2008	31 December 2007
Deposits	55,920	41,947
Loans	502	301
	<b>1st Quarter 2008</b>	<b>1st Quarter 2007</b>
Interest expense	(356)	(15)
Interest income	6	5

## 19 Changes in the portfolio of subsidiaries and associates

In the period from 01/01/2008 to 31/03/2008, the following changes took place in the Group's portfolio of subsidiaries and associates:

### a) Acquisitions

On 25/01/2008, 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 € 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 amount of € 2 million and € 46.8 million respectively, without altering its shareholding (100%).

On 27/2/2008 Piraeus Bank covered the total amount of share capital increases of Piraeus Bank Beograd AD with the amount of € 25 million 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 € 3.6 million without altering its shareholding (22.8%).

### c) Increases of participation

Piraeus Bank increased its shareholding in Piraeus Leasing S.A. by 0.06% for a consideration of € 79 thousand, increasing in this way its shareholding to 87.61%.

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%.

### d) Liquidation and disposal of shareholding percentages

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

### 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 - 31/3/2008 which are described above, are summarized in the table as follows:

	2008	2007
Participation in share capital increases	73,875	565,884
Increase of shareholding in Group subsidiaries	90	16,540
Incorporation of companies	-	<u>2,552</u>
	73,965	584,976
Acquisition of subsidiaries	15,000	81,235
Less: Cash and cash equivalents of subsidiaries acquired	<u>(176,173)</u>	<u>(33,239)</u>
<b>Total</b>	<b><u>(87,208)</u></b>	<b><u>632,972</u></b>

Therefore, the net inflow from acquisition of subsidiaries (net of cash and cash equivalent acquired) and the increase of shareholding is € 161,083 thousand.

During the period 1/1 - 31/3/2008, the goodwill raised from the acquisition of subsidiaries and the increase of shareholding in Group subsidiaries was € 25,227 thousand (2007: € 42,646 thousand).

## 20 Post Balance Sheet events

During the Annual General Meeting of shareholders of the Bank at 3/4/2008 it was decided the purchase of treasury shares via the Athens stock exchange, according to the article 16 of codified Law 2190/1920 as modified and valid, up to a total number of 33 million shares which constitutes less than 10% of the total number of shares of the Bank. The purchase price range for the shares is between € 4 (minimum) and € 40 (maximum), within the period of 24 months (i.e. not later than until 3/4/2010).

The 2nd Iterative General Meeting of Shareholders on May 7th, 2008 resolved the decrease of the Bank's share capital by € 49,643,951.49 through cancellation of 10,407,537 treasury shares, aiming at the fulfilment of the obligation undertaken with the prospectus as of 6/7/2007 for the share capital increase of the Bank and decided the share capital increase of the Bank up to the total amount of € 26,378,367.12 by issuing 5,530,056 new ordinary shares of nominal value € 4.77 each and offering price € 21.36 per share. The share capital increase will be paid in cash with the possibility of reinvestment of the final dividend for fiscal year 2007 that remains following the deduction of the already paid interim dividend, which amounts to € 0.36 per share.

On 24/04/2008 the third securitization of the Bank's mortgage portfolio of amount € 800 million was concluded, aiming at enhancing the Bank's funding sources.

Athens, May 14th, 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