



PIRAEUS BANK GROUP

Consolidated Interim Condensed Financial Statements

31 March 2006

According to the International Financial
Reporting Standards

The attached consolidated interim condensed financial statements have been approved by the Piraeus Bank S.A. Board of Directors on May 10th, 2006 and they are available on the web site of Piraeus Bank at www.piraeusbank.gr

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

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Piraeus Bank Group - 31 March 2006
Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Period from 1 January to	
		31 March 2006	31 March 2005
Interest and similar income		335,373	213,236
Interest expense and similar charges		(184,372)	(93,622)
NET INTEREST INCOME		151,001	119,614
Fee and commission income		52,568	37,565
Fee and commission expense		(7,890)	(5,863)
NET FEE AND COMMISSION INCOME		44,678	31,702
Dividend income		1,815	3,748
Net trading income		12,075	19,028
Gains/ (losses) from investment securities	6	134,969	2
Other operating income		22,173	16,499
TOTAL NET INCOME		366,711	190,593
Staff costs		(69,742)	(58,025)
Administrative expenses		(48,885)	(38,600)
Depreciation and amortisation		(13,818)	(9,078)
Gains/ (losses) from sale of property, plant and equipment		9,509	1,409
Impairment losses on loans and advances		(24,984)	(20,842)
OPERATING PROFIT		(147,920)	(125,136)
Share of profit of associates		(112)	155
PROFIT BEFORE INCOME TAX		218,679	65,611
Income tax expense	7	(27,079)	(15,127)
PROFIT FOR THE PERIOD		191,600	50,484
Profit for the year attributable to the equity holders of Piraeus Bank		186,007	42,771
Minority Interest		5,593	7,714
Earnings per share (in euros):			
-basic	8	0.87	0.22
-diluted	8	0.87	0.22

CONSOLIDATED INTERIM BALANCE SHEET

	Note	31 March 2006	31 December 2005
ASSETS			
Cash and balances with central banks		1,320,714	1,570,219
Treasury bills and other eligible bills		198,194	221,977
Loans and advances to Credit Institutions	9	3,886,708	2,220,330
Derivative financial instruments - assets	10	31,895	22,741
Financial instruments at fair value through Profit and Loss	11	443,539	1,180,120
Loans and advances to customers (net of provisions)	12	16,624,469	15,451,119
Investment securities			
-Available for sale securities	13	538,867	685,584
-Held to maturity	13	94,288	95,555
Investments in associated undertakings		61,204	65,641
Intangible assets		190,536	202,238
Property, plant and equipment		436,338	431,176
Investment property		553,631	542,430
Held for sale		11,702	11,958
Deferred tax assets	19	139,804	137,218
Inventories - property		167,834	165,838
Other assets		487,635	541,336
TOTAL ASSETS		25,187,358	23,545,480
LIABILITIES			
Due to Banks	15	3,608,769	3,535,764
Derivative financial instruments - liabilities	10	37,588	37,591
Due to customers	16	14,164,722	13,196,528
Debt securities in issue	17	4,181,380	3,745,688
Other borrowed funds	18	402,941	402,362
Hybrid capital	18	201,330	201,178
Retirement benefit obligations		158,277	154,699
Other provisions		23,989	20,652
Current income tax liabilities		41,066	29,018
Deferred tax liabilities	19	49,665	60,223
Other liabilities		601,170	554,117
TOTAL LIABILITIES		23,470,897	21,937,821
EQUITY			
Ordinary shares	22	1,024,932	1,024,932
Share premium	22	330,643	330,643
Less: Treasury shares	22	(37,663)	(17,594)
Other reserves	23	50,807	96,203
Retained earnings	23	119,010	(55,758)
Capital and reserves attributable to Piraeus Bank equity holders		1,487,729	1,378,426
Minority Interest		228,732	229,233
TOTAL EQUITY		1,716,461	1,607,659
TOTAL EQUITY AND LIABILITIES		25,187,358	23,545,480

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings	Minority interests	TOTAL
Opening balance as at 1 January 2005		831,067	365,733	(25,267)	75,133	(344,462)	367,239	1,269,443
Purchases of treasury shares	22			(50,270)				(50,270)
Sales of treasury shares	22			24,005		4,417	1,003	29,425
Available for Sale Reserve	23				2,649			2,649
Profit after tax for the first quarter of 2005	23					42,771	7,714	50,485
Dividend relating to the previous period						(12,663)	(13,624)	(26,287)
Movement in subsidiaries holding during the period							(5,578)	(5,578)
Currency translation differences and other adjustments					(442)	4,337		3,895
Balance as at 31 March 2005		831,067	365,733	(51,532)	77,340	(305,600)	356,754	1,273,762
	Note	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings	Minority interests	TOTAL
Opening balance as at 1 April 2005		831,067	365,733	(51,532)	77,340	(305,600)	356,754	1,273,762
Mergers - cancellation of treasury shares		193,865	(35,090)		280	69,253	(233,036)	(4,728)
Interim dividend of Hellenic Investment Company S.A.						5,907		5,907
Purchases of treasury shares	22			(82,084)			(999)	(83,083)
Sales of treasury shares	22			116,022		8,321		124,343
Available for Sale Reserve	23				56,857			56,857
Profit after tax for the period 1/4/2005 - 31/12/2005	23					221,002	11,241	232,243
Dividend relating to the previous period						(80,103)	(5,743)	(85,846)
Transfer between other reserves and retained earnings					17,537	(17,537)		0
Distribution of reserves of Piraeus Securities S.A.					(7,007)	(1,926)	(2,233)	(11,166)
Reserve for stock option plan					200			200
Utilization of legal reserve against the 1st time adoption adjustments					(51,667)	51,667		0
Acquisitions and movement in subsidiaries holding during the period							103,250	103,250
Currency translation differences and other adjustments					2,662	(6,742)		(4,080)
Balance as at 31 December 2005		1,024,932	330,643	(17,594)	96,202	(55,758)	229,234	1,607,659
Opening balance as at 1 January 2006		1,024,932	330,643	(17,594)	96,202	(55,758)	229,234	1,607,659
Purchases of treasury shares	22			(21,292)				(21,292)
Sales of treasury shares	22			1,223				1,223
Available for Sale Reserve	23				(58,178)			(58,178)
Profit after tax for the first quarter of 2006	23					186,007	5,593	191,600
Transfer between other reserves and retained earnings					6,505	(6,505)		0
Reserve for stock option plan					1,320			1,320
Acquisitions and movement in subsidiaries holding during the period							(1,513)	(1,513)
Currency translation differences and other adjustments					4,958	(4,734)	(4,582)	(4,358)
Balance as at 31 March 2006		1,024,932	330,643	(37,663)	50,807	119,010	228,732	1,716,461

CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Note	From January 1st to	
		31 March 2006	31 March 2005
<i>Cash flows from operating activities</i>			
Profit before tax		218,679	65,611
Adjustments to profit before tax			
Add: impairment for loans	12	24,984	20,842
Add: depreciation		13,818	9,078
Add: retirement benefits		6,251	10,314
Gains (deduct)/ losses (add) from valuation of trading securities		(5,712)	(13,560)
Gains (deduct)/ losses (add) from investing activities		(153,996)	(5,565)
Interest on debt securities and other borrowed funds		36,674	17,326
		140,698	104,046
<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		8,763	(12,925)
Net (increase)/ decrease in treasury bills and other eligible bills		28,769	(29,815)
Net (increase)/ decrease in trading securities		734,873	343,549
Net (increase)/ decrease in loans and advances to Credit Institutions		29,320	10,614
Net (increase)/ decrease in loans and advances to customers		(1,189,731)	(929,920)
Net (increase)/ decrease in other assets		49,872	(40,002)
Net increase/ (decrease) in due to Banks		73,005	64,458
Net increase/ (decrease) in amounts due to customers		968,194	246,277
Net increase/ (decrease) in other liabilities		51,414	(14,734)
Net cash flow from operating activities		895,176	(258,451)
Cash flows from investing activities			
Net proceeds from purchases of property, plant and equipment		(34,214)	(44,786)
Net proceeds from sale of property, plant and equipment		15,980	62,262
Net proceeds from purchases of intangible assets		(3,330)	(4,736)
Net proceeds from sale of intangible assets		46	167
Purchases of available-for-sale securities	13	(35,932)	(44,774)
Net proceeds from sale of available-for-sale securities	13	231,605	88,951
Purchase of held-to-maturity securities	13	(2,743)	(13,470)
Net proceeds from maturity of held-to-maturity securities	13	2,824	2
Acquisition of subsidiaries, net of cash acquired		(992)	(5,291)
Disposal of associates		5,175	0
Dividends from available for sale investments		0	165
Net cash from investing activities		178,419	38,491
<i>Cash flows from financing activities</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		404,818	601,843
Net proceeds from purchases of treasury shares	22	(21,292)	(50,270)
Net proceeds from sales of treasury shares	22	1,223	29,425
Other cashflows from financing activities		(773)	19,272
Net cash from financing activities		383,976	600,270
Effect of exchange rate changes on cash and cash equivalents		1,273	5,093
Net increase/ (decrease) in cash and cash equivalents		1,458,845	385,403
Cash and cash equivalents at beginning of period		3,515,064	1,307,035
Cash and cash equivalents at end of period		4,973,908	1,692,437

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 2076/1992 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, provides services in the Balkans, Africa, the U.S.A. as well as Western Europe and employs 8,467 people.

Apart from the A.S.E. General Index, the Piraeus Bank share is included in a series of other indices, such as FTSE/ATHEX-20, Standard 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 2005 have been followed.

The amounts of the consolidated interim condensed financial statements attached are expressed in thousand euros.

3 Basis of presentation of the consolidated interim condensed financial statements

The consolidated interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and they should be read along with the Group's annual consolidated financial statements for the year ended 31 December 2005, which are the first annual financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS).

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 reviews its loan portfolios to assess impairment in every reporting period. In determining whether an impairment loss should be recorded in the income statement, the Group has set a methodology and uses various assumptions as to whether there is any indication of impairment of the loan portfolio. The methodology and assumptions used are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

2. Fair value of derivatives

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 the available for-sale investments

The available for sale investments are carried out at fair value; any fluctuations in the fair value are recorded in the available for sale reserve. The bank determines that the available-for-sale investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. When this occurs the AFS reserve is transferred to the income statement of the period. This determination of what is significant or prolonged decline in fair value requires judgement. Also, judgement is required for the estimation of the fair value of investments that are not listed in a market. The fair value of the non listed available for sale investments is determined through various financial models taking also into account other factors such as evidence of deterioration in the financial health of the investee and industry and sector performance.

4. 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 ordinary course of business. Where the final income tax expense is different from the amounts that were initially recorded, differences impact the income tax and deferred tax provisions in the period in which the tax computation is finalised.

5 Business segments

The Group has identified the following business segments:

- Retail Banking
- Corporate Banking
- Investment Banking
- Asset Management & Treasury
- Other business segments including Real Estate, IT and other centralised services.

At 31 March 2006	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group
Revenues	221,464	68,906	17,106	93,387	158,110	-	558,973
Revenues from other business segments	33,581	3,149	92	-	40,270	(77,092)	0
Total revenues	255,045	72,055	17,198	93,387	198,380	(77,092)	558,973
Net Revenues	191,940	34,680	12,952	11,389	115,750	-	366,711
Net Revenues from other business segments	(10,386)	(3,651)	(2,669)	-	28,989	(12,283)	0
Total Net Revenues	181,554	31,029	10,283	11,389	144,739	(12,283)	366,711
Segment Results	67,824	9,933	7,445	5,711	127,766	-	218,679
Income tax expense							(27,079)
Profit after tax							191,600
Other segment items							
Depreciation	5,148	692	301	184	7,493	-	13,818
Impairment charge - loans	18,874	6,076	-	-	34	-	24,984

At 31 March 2005	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group
Revenues	162,544	71,182	13,410	27,929	15,013	-	290,078
Revenues from other business segments	21,925	2,180	180	17,011	1,859	(43,155)	0
Total revenues	184,469	73,362	13,590	44,940	16,872	(43,155)	290,078
Net Revenues	137,678	27,573	427	20,171	4,744	-	190,593
Net Revenues from other business segments	(2,725)	(1,719)	(1,912)	15,118	484	(9,246)	0
Total Net Revenues	134,953	25,854	(1,485)	35,289	5,228	(9,246)	190,593
Segment Results	40,410	12,213	1,131	15,316	(3,458)	-	65,611
Income tax expense							(15,127)
Profit after tax							50,484
Other segment items							
Depreciation	3,604	163	329	139	4,843	-	9,078
Impairment charge - loans	12,896	4,876	3,037	6	27	-	20,842

At 31 March 2006							
Segment assets	12,177,039	5,405,767	194,468	5,006,888	2,403,196	-	25,187,358
Segment liabilities	9,775,223	575,155	178,059	7,781,396	5,161,064	-	23,470,897

At 31 December 2005							
Segment assets	10,961,074	5,917,041	144,016	3,848,719	2,674,630	-	23,545,480
Segment liabilities	8,665,757	1,214,510	126,769	6,498,504	5,432,281	-	21,937,821

6 Gains less losses from investment securities

	1st Quarter 2006	1st Quarter 2005
Gains less losses on AFS - shares and mutual funds	133,427	1
Gains less losses on AFS - bonds	320	-
Gains less losses on HTM portfolio	-	2
Gains less losses on sale of Subsidiaries and Associates	1,221	(1)
	134,968	2

In compliance with the Strategic Alliance Agreement dated 18/1/2002 of Piraeus Bank and the companies "ING Greek Life Insurance Company S.A." and "ING Greek General Insurance Company S.A." on the liquidation of their respective cross-shareholdings, the following events took place during the first quarter of 2006:

a) the sale to institutional investors via an accelerated bookbuilding process of the entire number of Piraeus Bank's shares which were held by the companies "ING Greek Life Insurance Company S.A." and "ING Greek General Insurance Company S.A." and

b) the sale of Piraeus Bank's entire holding of certificates of ING Groep N.V. shares through a series of moderated sales on Euronext Amsterdam.

The gain from the above transactions was € 129.8 million and according to the above agreement it was recorded in Piraeus Bank's books.

7 Income tax expense

	1st Quarter 2006	1st Quarter 2005
Current Tax	(18,606)	(11,542)
Deferred tax (Note 19)	(8,580)	(3,580)
Share of tax of associates	107	(5)
	(27,079)	(15,127)

The tax ratio for legal entities, in accordance with the provisions in force of article 109, par. 1 of Law 2238/94, amounts to 32% for the financial year 2006 (fiscal year end 2005) and 29% for the financial year 2007 (fiscal year end 2006).

However, upon completion of the merger with the Hellenic Investment Company on 31/12/2005, in accordance with the provisions of article 9, par. 2 and 3 of Law 2992/2002, the Bank defined the amount of the income tax for the financial year 2006 (fiscal year end 2005) according to a tax ratio, on its taxable profits, reduced by five (5) percentage points, namely 27% (32% minus 5%). For the financial year 2007 (fiscal year end 2006), income tax will be defined according to a tax ratio, on the Bank's taxable profits, similarly reduced by five (5) percentage points, namely 24% (29% minus 5%).

Furthermore, it should be noted that the provision of the Draft Law "National Board of Imports, tax arrangements and other provisions", which has been submitted to Parliament for voting, specifies that the tax benefit of companies which are entitled to a reduced tax ratio, based on the provisions of Law 2992/2002 (article 9, par. 1, 2 and 3), is allocated in equal sums in three consecutive accounting periods, starting with the accounting period within which the change was completed, and it concerns only the cash management of the specific tax amount.

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. Also, the diluted earnings per share have been calculated taking into account the share option plan, which was decided by the second repeated General Meeting on 16/05/2005. The total share options were granted on 29/8/2005 and it can be exercised by the share option holders beginning December 2006 (note 22).

	1st Quarter 2006	1st Quarter 2005
Basic earnings per share		
Net profit attributable to shareholders	186,007	42,771
Weighted average number of shares in issue	213,472,126	196,947,585
Basic earnings per share (in euros)	0.87	0.22
Diluted earnings per share		
Net profit attributable to shareholders	186,007	42,771
Weighted average number of shares in issue	213,472,126	196,947,585
Adjustment for share options	473,091	-
Weighted average number of shares in issue for the diluted earnings per share calculation	213,945,217	196,947,585
Diluted earnings per share (in euros)	0.87	0.22

9 Loans and advances to Credit Institutions

	31 March 2006	31 December 2005
Placements with Banks	3,643,995	2,058,633
Cheques receivables	12,664	17,796
Reverse repurchase agreements	230,049	143,901
Total loans and advances to Credit Institutions	3,886,708	2,220,330

10 Derivative Financial Instruments

At 31 March 2006

	Notional amounts	Fair values	
		Assets	Liabilities
Derivatives held for trading			
Futures	16,200	-	11
Asset Swaps	100,915	104	11,555
Interest Rate Swaps	4,786,312	22,156	24,423
Options	300,000	219	166
Currency swaps	2,710,388	(1,206)	165
FX Forwards	78,329	2,565	2,444
Other derivative instruments	349,112	1,349	(1,226)
		25,187	37,538
Embedded equity derivatives			
Customer deposits linked to options	289,416	6,030	(806)
Derivatives held for fair value hedging			
Interest Rate Swaps	75,464	679	856
Total derivative assets/ liabilities		31,895	37,588

At 31 December 2005

	Notional amounts	Fair values	
		Assets	Liabilities
Derivatives held for trading			
Futures	7,600	-	49
Asset Swaps	104,701	-	15,274
Interest Rate Swaps	4,273,519	12,136	14,919
Currency swaps	2,714,496	(491)	-
FX Forwards	68,589	2,503	2,556
Other derivative instruments	137,222	1,489	(1,092)
		15,637	31,706
Embedded equity derivatives			
Customer deposits linked to options	287,328	6,612	3,883
Derivatives held for fair value hedging			
Interest Rate Swaps	69,246	492	2,002
Total derivative assets/ liabilities		22,741	37,591

11 Financial Assets at Fair Value through Profit and Loss (including trading securities)

Trading Securities	31 March 2006	31 December 2005
Greek Government Bonds	243,574	941,824
Foreign Government Bonds	43,505	43,989
Corporate Entities Bonds	16,839	22,310
Bank Bonds	1,246	1,253
	305,164	1,009,376
Athens Stock Exchange Listed Shares	59,681	57,412
Foreign Stock Exchange Listed Shares	14,692	16,415
Mutual funds	3,999	3,938
	78,372	77,765
Total trading securities	383,536	1,087,141
Other financial assets at fair value through profit and loss	60,003	92,979
Total	443,539	1,180,120

12 Loans and advances to customers

	31 March 2006	31 December 2005
Loans to individuals		
Mortgages	3,672,708	3,385,589
Consumer - Personal Loans	1,890,129	1,774,516
Credit Cards	371,464	353,162
Other	167,337	189,504
	6,101,638	5,702,771
Loans to corporate entities	10,950,499	10,181,377
Total loans and advances to customers	17,052,137	15,884,148
Less: Impairment on loans and advances to customers	(427,668)	(433,029)
Total loans and advances to customers (less allowances for losses)	16,624,469	15,451,119
Movement in impairment for losses on loans and advances		
Opening balance for the period (1/1/2006 and 1/1/2005 respectively)	433,029	463,092
Charge for the year	24,984	20,842
Write offs	(28,893)	-
Foreign exchange differences	(1,452)	256
Closing balance for the period (31/3/2006 and 31/3/2005 respectively)	427,668	484,190
Opening balance 1/4/2005		484,190
Transfers from other provisions		8,001
Opening balance of new subsidiaries		33,473
Charge for the period		46,850
Write offs		(137,680)
Foreign exchange differences		(1,805)
Closing balance 31/12/2005		433,029

13 Investment securities

	31 March 2006	31 December 2005
Available for sale securities		
Bonds and Other fixed income securities		
Foreign Government Bonds	247,599	245,632
Corporate Entities Bonds	81,850	86,161
Bank Bonds	35,833	36,779
	365,282	368,572
Shares & Other variable income securities		
Athens Stock Exchange Listed Shares	28,165	28,266
Foreign Stock Exchanges Listed Shares	2,192	153,117
Unlisted Shares	138,342	130,616
	168,699	311,999
Companies excluded from consolidation/ under liquidation	4,886	5,013
Total available for sale securities	538,867	685,584
Held to maturity		
Foreign Government Bonds	94,288	94,035
Corporate Entities Bonds	-	1,520
Total held to maturity	94,288	95,555
Total Investment securities	633,155	781,139

	31 March 2006	31 December 2005
Movement of the available for sale securities		
Opening balance	685,584	472,332
Additions	35,932	304,915
Disposals	(231,605)	(180,414)
Transfer from subsidiaries	4,359	88
Transfer from associates	-	19,152
Transfer to the held to maturity portfolio	-	(34,684)
Changes in fair value	50,995	87,183
Exchange differences	(6,398)	17,012
Balance at the end of the period	538,867	685,584

Note 6 is related to the sale of ING GROEP N.V.'s shares.

	31 March 2006	31 December 2005
Movement of the held to maturity securities		
Opening balance	95,555	18,156
Additions	2,743	58,227
Transfer from the available for sale portfolio	-	34,683
Maturity of securities	(2,824)	(18,776)
Exchange differences	(1,186)	3,265
Balance at the end of the period	94,288	95,555

14 Investments in associated undertakings

The Group's interest in associates is as follows:

Company	31 March 2006	
	Country	Participation %
ING - PIRAEUS LIFE INSURANCE COMPANY	Greece	49.90%
'ISIODOS' VIOTIKI REGIONAL DEVELOPMENT & INVESTMENT COMPANY S.A.	Greece	37.00%
CRETE SCIENTIFIC AND TECHNOLOGY PARK MANAGEMENT & DEVELOPMENT COMPANY S.A.	Greece	30.45%
ING PIRAEUS MUTUAL FUNDS S.A.	Greece	49.00%
EVROS DEVELOPMENT COMPANY S.A.	Greece	30.00%
ETANAL S.A.	Greece	25.00%
STALKO S.A. - ELECTRICAL EQUIPMENT INDUSTRIAL COMPANY S.A.	Greece	25.00%
PROJECT ON LINE S.A.	Greece	40.00%
MONASTIRIOU TECHNICAL DEVELOPMENT CO. S.A.	Greece	33.35%
EL-EYWON HOSPITAL	Egypt	24.57%
ALEXANDRIA FOR DEVELOPMENT AND INVESTMENT	Egypt	19.35%
NILE SHOES COMPANY	Egypt	34.60%
EGYPTIAN COMMERCIAL INSURANCE CO.	Egypt	35.19%
EGYPTIAN INTEGRATED STORAGE CO.	Egypt	35.19%
REBICAT	Greece	16.67%
ABIES	Greece	16.67%
EUROTERRA	Greece	16.67%
APE COMMERCIAL PROPERTY	Greece	27.80%
APE FIXED ASSETS	Greece	27.80%
SOLVENCY INTERNATIONAL S.A. OF INVESTMENTS AND PARTIC. INTERESTS	Greece	37.66%
DELPHI ADVANCED RESEARCH TECHNOLOGIES LTD	Cyprus	20.47%

Company	31 December 2005	
	Country	Participation %
ING - PIRAEUS LIFE INSURANCE COMPANY	Greece	49.90%
"ISIODOS" VIOTIKI REGIONAL DEVELOPMENT & INVESTMENT COMPANY S.A.	Greece	37.00%
CRETE SCIENTIFIC AND TECHNOLOGY PARK MANAGEMENT & DEVELOPMENT COMPANY S.A.	Greece	30.45%
ING PIRAEUS MUTUAL FUNDS S.A.	Greece	49.94%
EVROS DEVELOPMENT COMPANY S.A.	Greece	30.00%
ETANAL S.A.	Greece	25.00%
STALKO S.A. - ELECTRICAL EQUIPMENT INDUSTRIAL COMPANY S.A.	Greece	25.00%
PROJECT ON LINE S.A.	Greece	40.00%
MONASTIRIOU TECHNICAL DEVELOPMENT CO. S.A.	Greece	33.35%
EL-EYWON HOSPITAL	Egypt	24.57%
ALEXANDRIA FOR DEVELOPMENT AND INVESTMENT	Egypt	19.35%
NILE SHOES COMPANY	Egypt	34.57%
EGYPTIAN COMMERCIAL INSURANCE CO.	Egypt	35.19%
EGYPTIAN INTEGRATED STORAGE CO.	Egypt	35.19%
REBICAT	Greece	16.67%
ABIES	Greece	16.67%
EUROTERRA	Greece	16.67%
APE COMMERCIAL PROPERTY	Greece	27.80%
APE FIXED ASSETS	Greece	27.80%
SOLVENCY INTERNATIONAL S.A. OF INVESTMENTS AND PARTIC. INTERESTS	Greece	42.56%
DELPHI ADVANCED RESEARCH TECHNOLOGIES LTD	Cyprus	20.47%

15 Due to Banks

	31 March 2006	31 December 2005
Amounts due to Central Banks	1,425	3,959
Deposits from other Banks	3,317,884	3,363,007
Other obligations to Banks	109,546	24,028
Repurchase agreement - banks	179,914	144,770
	3,608,769	3,535,764

16 Due to customers

	31 March 2006	31 December 2005
Current and sight deposits	3,530,878	3,519,488
Savings account	3,382,134	3,402,934
Term deposits	6,889,666	5,915,499
Other accounts	199,425	212,527
Repurchase agreements	162,619	146,080
	14,164,722	13,196,528

17 Debt securities in issue

	Average interest rate (%)		31 March 2006	31 December 2005
	1st Quarter 2006	2005		
ETBA bonds	2.48%	2.26%	543,448	438,139
Euro Commercial Paper (Short term securities)	2.71%	2.40%	1,515,737	1,641,714
Euro Medium Term Note (Medium/ long term securities)	2.87%	2.56%	1,421,289	937,051
Securitisation of mortgage loans	2.61%	2.32%	697,322	725,130
Other debt securities			3,583	3,654
			4,181,380	3,745,688

The Euro Commercial Paper (ECP) short term securities in issue retained a balance of over € 1.5 billion with a parallel increase of the level of average maturity and a decrease of the interest spread. The issue of securities concerning the Euro Medium Term Note Program (EMTN) was addressed to local investors through private placement from the beginning of 2006.

During the first quarter of 2006, the reissue of € 50 million of the 5 year benchmark bond (December 2005) was completed, increasing the total amount of the issue to € 500 million.

Also, the Bank issued a new 3 year benchmark senior debt of € 500 million. The nominal coupon is 3 month Euribor increased by 20 basis points.

The issue of bonds for the Residential Mortgage Backed Securitisation (RMBS) of € 750 million was undertaken through UK- based Estia Mortgage Finance PLC. The bonds are callable by the issuer after 9 years and have an average cost of 3 month Euribor increased by 18 basis points.

18 Other borrowed funds

	Average interest rate (%)		31 March 2006	31 December 2005
	1st Quarter 2006	2005		
Hybrid capital (Tier I)	3.85%	3.39%	201,330	201,178
Subordinated loans (Tier II)	3.20%	2.74%	398,810	398,124
Other borrowed funds	8.16%	6.88%	4,131	4,238
			604,271	603,540

Hybrid capital (TIER I) has been issued by Piraeus Group Capital PLC on 27/10/2004. Tier I has a call option within 10 years. The nominal coupon is 3 month Euribor increased by 125 basis points. Hybrid capital is a long term debenture and as such it is treated for tax purposes according to the combined regulations of Law 2238/1994 (article 12, para. 9c), Law 2879/2000 (article 26), Law 3091/2002 (article 25, para. 4), and Law 3049/2002 (article 24, para. 1).

Subordinated debt (TIER II) has been issued by Piraeus Group Finance PLC on 29/9/2004. Subordinated debt has 10 years duration and is callable by the issuer after 5 years. The nominal coupon is 3 month Euribor increased by 60 basis points.

Other borrowed funds have been issued by Marathon Bank on 18/12/2001 and have a duration of 30 years. Other borrowed funds have a call option that can be exercised on 18/12/2006. The nominal coupon is 3 month Libor increased by 360 basis points.

Accrued interest of other borrowed funds is included in the respective amounts of other borrowed funds.

The Group has not had any defaults of principal, interest or redemption amounts during the period on its above other borrowed funds.

19 Deferred income tax

Deferred income tax assets and liabilities are attributable to the following items:

	31 March 2006	31 December 2005
Deferred tax liabilities		
Adjustment for depreciation of property, plant and equipment	1,508	1,391
Investment property valuation	5,162	5,084
Derivative financial instruments valuation	6,018	7,486
Financial assets at fair value through profit and loss	92	92
Securities valuation	14,333	19,265
Recognition of commission according to effective interest rate calculation	4,256	4,245
Impairment of receivables	5,636	7,958
Deferred tax liability of purchase price allocation exercise	5,088	5,330
Other deferred tax liabilities	7,572	9,372
	49,665	60,223
	31 March 2006	31 December 2005
Deferred tax assets		
Pensions and other post retirement benefits	38,910	41,065
Impairment of receivables	5,706	5,686
Other provisions	950	851
Financial assets at fair value through profit and loss	439	437
Derecognition of intangible assets	3,273	4,105
Securities valuation	19,941	8,842
Derivative financial instruments valuation	9,109	9,470
Recognition of tax loss	8,118	5,631
Impairment of securities	40,929	44,171
Recognition of commission according to effective interest rate calculation	10,833	12,324
Other deferred tax assets	1,596	4,636
	139,804	137,218
Net deferred tax asset/ liability		
	90,139	76,995

The deferred tax in profit and loss for the period (note 7) is analysed as follows:

	1st Quarter 2006
Pensions and other post retirement benefits	(2,155)
Impairment of receivables	2,342
Recognition of commission according to effective interest rate calculation	(1,502)
Investment property valuation	(78)
Derivative financial instruments valuation	1,107
Recognition of tax loss	2,487
Adjustment for depreciation of property, plant and equipment	(117)
Derecognition of intangible assets	(831)
Financial assets at fair value through profit and loss	2
Securities valuation	(5,694)
Other provisions	98
Impairment of securities	(3,242)
Deferred tax of purchase price allocation exercise	242
Other deferred tax charges	(1,239)
	(8,580)

Deferred tax of € 21,724 th. that related to the valuation of the available for sale securities for the period ended as at 31/3/2006, was not recorded in P/L for the period but instead in the available for sale reserve as per the IFRS regulations.

20 Post retirement benefit obligations

Piraeus Bank S.A. has duly filed an application for the integration in the ETAT fund of its employees who are currently insured with the TAEPETE and TAPILTAT funds. With such application, and upon drafting of the relevant financial studies, Piraeus Bank S.A. and its employees are entitled to request the refund of surpluses, which can be carried out, inter alia, through reduction of the Bank's liability to ETAT. Such surpluses amount to € 28.9 million for the employees insured with TEAPETE (according to a study of an internationally acknowledged actuarial firm), and € 61.5 million for the employees insured with TAPILTAT.

21 Contingent liabilities and commitments

A) Legal procedures

There are no pending legal actions against the Group as at 31/3/2006 which would significantly affect its financial position.

B) Capital commitments

As at 31/03/2006 the Group had the following capital commitments:

	31 March 2006	31 December 2005
Letters of guarantee	1,904,285	1,785,141
Letters of credit	144,269	138,231
Commitments to extent credit	6,380,214	6,121,793
	8,428,768	8,045,165

C) Assets pledged

	31 March 2006	31 December 2005
Balances with central banks	68,596	63,694
Trading securities	98,108	97,499
Investment securities	73,092	77,155
	239,796	238,348

D) Operating lease commitments and receivables

Commitments from operating leasing contracts are analysed as follows:

	31 March 2006	31 December 2005
Up to 1 year	27,262	27,258
From 1 to 5 years	115,227	115,992
More than 5 years	230,788	235,379
	373,277	378,629

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

	31 March 2006	31 December 2005
Receivables from operating leases		
Up to 1 year	15,925	16,165
From 1 to 5 years	19,607	19,222
	35,532	35,387

22 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
At 1 January 2005	831,067	365,733	(25,267)	1,171,533
Mergers - cancellation of treasury shares	193,865	(35,090)	-	158,775
Purchases of treasury shares	-	-	(132,354)	(132,354)
Sales of treasury shares	-	-	140,027	140,027
At 31 December 2005	1,024,932	330,643	(17,594)	1,337,981
At 1 January 2006	1,024,932	330,643	(17,594)	1,337,981
Purchases of treasury shares	-	-	(21,292)	(21,292)
Sales of treasury shares	-	-	1,223	1,223
At 31 March 2006	1,024,932	330,643	(37,663)	1,317,912

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

	Number of shares		Net number of shares
	Issued shares	Treasury shares	
Opening balance at 1st January 2005	200,257,006	(2,293,319)	197,963,687
Issue of shares	16,653,425	-	16,653,425
Cancellation of treasury shares	(2,039,997)	-	(2,039,997)
Purchases of treasury shares	-	(9,044,013)	(9,044,013)
Sales of treasury shares	-	10,310,591	10,310,591
Balance at 31st December 2005	214,870,434	(1,026,741)	213,843,693

	Number of shares		Net number of shares
	Issued shares	Treasury shares	
Opening balance at 1st January 2006	214,870,434	(1,026,741)	213,843,693
Purchases of treasury shares	-	(935,982)	(935,982)
Sales of treasury shares	-	51,143	51,143
Balance at 31 March 2006	214,870,434	(1,911,580)	212,958,854

All issued shares are fully paid. During the General Meeting of shareholders of the Bank at 12.4.2006 it was decided, according to the article 16 par.5-14 of codified Law 2190/1920, the purchase of own shares in order to support the Bank's share price at the stock exchange, up to 10% of the total number of its shares, 21,487,043. The minimum and maximum purchase value for the shares is between € 5 and € 50, while the purchase will take place within a year from 12/4/2006. 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 2190/1920 and the decisions made by the Athens Stock Exchange.

Shares option plan

The 2nd repeated General Meeting of Piraeus Bank shareholders that took place on 16/5/2005 decided upon the initiation of a 4 year share option plan for the Board members and the executives and senior management of the Bank and its related (according to the article 42e of Law 2190/1920) companies. The above plan will be in force and implemented during the years 2005, 2006, 2007 and 2008. According to the above plan no more than 2,000,000 new ordinary shares of the Bank can be issued, which corresponds to less than 1% of the total number of Piraeus Bank shares, according to the article 13 par. 9 of Law 2190/1920.

The exercise price will be € 12.20 per share. Those entitled to participate to the above plan are Board members, as well as executives who are employed by the Bank or its related companies, as well as executives who are employed by the Bank or its related companies for at least six months and will continue to be in service by the exercise date of the options.

On the 30th of November of each year, 1/4 of the total number of share options will be vested, and each holder will be able to exercise in total or in part the vested share options, beginning from December 2006, provided that the percentage increase of the share price of the Bank for the period January 1st - November 30th for each of the years of the stock option plan will not be lower than the percentage increase of the Athens Stock Exchange Bank Index for the equivalent period.

Share options obtained but not exercised in a previous year will be exercisable in a following year along with the share options vested at that time, until the expiry date of the plan in December of the year 2008.

The total number of share options was granted on 29/8/2005 at a price of € 12.20 per share and they can be exercised beginning December 2006. The exercise dates of the total number of granted share options according to the share option scheme are as follows:

Exercise date	Exercise price	Fair value of options	Number of share options
30/11/2006	12.20	3.73	1,000,000
30/11/2007	12.20	3.59	500,000
30/11/2008	12.20	3.44	500,000
			2,000,000

The fair value of options granted, at each exercise date, was determined by using the Black-Scholes valuation model. The significant inputs into the model are share prices (€ 15.98 as at 29/8/2005), exercise price, dividend yield, discount interest rate (2.17%, 2.25% and 2.39% for the years 2006, 2007 and 2008 respectively) and volatility of share prices (17.50%).

23 Other reserves and retained earnings

	31 March 2006	31 December 2005
Legal reserve	22,322	22,916
Extraordinary reserve	277	503
Available for sale reserve	4,326	62,504
Currency translation reserve	2,432	3,521
Other reserves	21,450	6,759
Total other reserves	50,807	96,203
Retained earnings	119,010	(55,758)
Total other reserves and retained earnings	169,817	40,445
	31 March 2006	31 December 2005
Other reserves		
Opening balance	96,203	75,133
Mergers - cancellation of treasury shares	-	280
Available for sale reserve	(58,178)	59,506
Distribution of reserves of Piraeus Securities S.A.	-	(7,007)
Transfer between other reserves and retained earnings	6,505	17,537
Reserve for stock option plan	1,320	200
Utilization of legal reserve against the IFRS 1st time adoption adjustments	-	(51,667)
Differences from currency translations and other adjustments	4,957	2,221
Closing balance	50,807	96,203
	31 March 2006	31 December 2005
Available for sale reserve		
Opening Balance	62,504	2,998
Gains/ losses from the valuation of AFS bonds	(824)	3,500
Gains/ losses from the valuation of AFS shares	52,198	83,683
Deferred income taxes	20,519	(21,166)
Recycling of the accumulated fv adj for AFS securities	(130,002)	(7,578)
Foreign exchange differences and other adjustments	(69)	1,067
Closing balance	4,326	62,504
	31 March 2006	31 December 2005
Retained earnings		
Opening balance	(55,758)	(344,462)
Mergers - cancellation of treasury shares	-	56,590
Profit after tax for the period/ year	186,007	263,773
Dividends of prior period	-	(80,103)
Gains/ losses from sales of treasury shares	-	12,738
Transfer between other reserves and retained earnings	(6,505)	(17,537)
Interim dividend of Hellenic Investment Company S.A.	-	5,907
Distribution of reserves of Piraeus Securities S.A.	-	(1,926)
Utilization of legal reserve against the 1st time adoption adjustments	-	51,667
Differences from currency translations and other adjustments	(4,734)	(2,405)
Closing balance	119,010	(55,758)

At the Annual General Meeting of the Piraeus Bank Shareholders which was held at 12/4/2006, a dividend payment of € 0.50 per share for the fiscal year 2005 was approved. The total dividend is € 107.435.217.

24 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%.

	Board of Directors members and key management personnel	
	31 March 2006	31 December 2005
Loans	125,285	83,785
Deposits	25,003	34,326

Letters of guarantees and letters of credits to the members of the board of directors and to the key management personnel as at 31/3/2006 are € 9.9 million.

Loans and letters of guarantees issued to related parties represent an insignificant part of total loans and letters of guarantees issued by the Bank, respectively. Loans and letters of guarantees have been issued to related parties in the normal course of business, within the approved credit policies and Bank procedures, adequately collateralised.

	31 March 2006	31 December 2005
Director's remuneration		
Salaries and other remuneration	1,696	8,419
Post employment benefits	-	1,596
	1,696	10,015

Associates

	31 March 2006	31 December 2005
Deposits	8,184	10,964
Loans	3,366	22,214

	1st Quarter 2006	1st Quarter 2005
Interest expense on deposits	41	35
Interest income on loans	128	173

25 Acquisitions and disposals of subsidiaries and associates

In the period from 1/1/2006 to 31/3/2006, the following changes took place in the Group's portfolio of subsidiaries and associates:

Piraeus Bank enacted obligatory Public Offering to the minority shareholders of Euroinvestment & Finance Public Ltd (E&F), established in Cyprus. The deadline for the statement of interest of the minority shareholders ended on 21.03.2006, whereas the shareholding of Piraeus Bank in the share capital of Euroinvestment & Finance Public Ltd following this public offering reached 84,96% compared to the previous shareholding of 81,87%.

The Bank obtained direct participation of the company Philoktimatiki LTD, established in Cyprus, up to now indirect subsidiary through Euroinvestment and Finance Public Ltd. Philoktimatiki LTD obtained majority shareholding in companies Shinefocus Ltd. and Polytron Properties Ltd., both established in Cyprus.

The Bank's direct participation in Piraeus Leasing S.A. and Piraeus Real Estate Investment Property S.A. was increased. The Bank's direct participation in Solvency International S.A. of Investments and Participating Interests and ING Piraeus Mutual Funds S.A. was decreased.

26 Post Balance Sheet events

There are no significant post balance sheet events.