



PIRAEUS BANK S.A.

**Interim Condensed Financial
Information**

30 June 2007

According to the International
Financial Reporting Standards

The attached interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on July 30th, 2007 and it is available in the web site of Piraeus Bank at www.piraeusbank.gr

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INTERIM INCOME STATEMENT

| | Note | Period from 1 January to | | Period from 1 April to | |
|--|------|--------------------------|------------------|------------------------|------------------|
| | | 30 June 2007 | 30 June 2006 | 30 June 2007 | 30 June 2006 |
| Interest and similar income | | 1,044,285 | 636,936 | 553,257 | 337,969 |
| Interest expense and similar charges | | (721,034) | (358,793) | (388,549) | (191,625) |
| NET INTEREST INCOME | | 323,251 | 278,143 | 164,708 | 146,344 |
| Fee and commission income | | 68,731 | 63,524 | 35,732 | 32,629 |
| Fee and commission expense | | (15,152) | (13,753) | (8,158) | (7,238) |
| NET FEE AND COMMISSION INCOME | | 53,579 | 49,771 | 27,574 | 25,391 |
| Dividend income | | 19,133 | 24,589 | 17,425 | 22,780 |
| Net trading income | | (797) | 16,734 | 3,827 | 8,124 |
| Net income from financial instruments designated at fair value through profit or loss | | 11,040 | (6,336) | (4,218) | (3,193) |
| Gains/ (Losses) from investment securities | 6 | 161,629 | 132,731 | 2,686 | 2,251 |
| Other operating income | | 5,541 | 11,661 | 1,348 | 8,025 |
| TOTAL NET INCOME | | 573,376 | 507,293 | 213,350 | 209,722 |
| Staff costs | | (118,161) | (104,521) | (60,632) | (53,527) |
| Administrative expenses | | (94,441) | (85,677) | (53,913) | (48,571) |
| Depreciation and amortisation | | (15,052) | (14,752) | (6,747) | (7,289) |
| Gains/ (Losses) from sale of property, plant and equipment | | 76 | (2,113) | 675 | (2,067) |
| Impairment losses on loans and receivables | | (32,229) | (32,377) | (12,161) | (10,764) |
| TOTAL OPERATING EXPENSES | | (259,807) | (239,440) | (132,778) | (122,218) |
| PROFIT BEFORE INCOME TAX | | 313,569 | 267,853 | 80,572 | 87,504 |
| Income tax expense | 7 | (25,138) | (35,047) | (10,132) | (16,195) |
| PROFIT FOR THE PERIOD | | 288,431 | 232,806 | 70,440 | 71,309 |
| Earnings per share (in euros): | | | | | |
| - Basic | 8 | 1.10 | 0.88 | 0.27 | 0.27 |
| - Diluted | 8 | 1.09 | 0.87 | 0.27 | 0.27 |

INTERIM BALANCE SHEET

| | Note | 30 June 2007 | 31 December 2006 |
|--|------|-------------------|-------------------|
| ASSETS | | | |
| Cash and balances with Central Banks | | 1,583,177 | 1,361,547 |
| Loans and advances to credit institutions | | 3,421,811 | 2,938,923 |
| Derivative financial instruments - assets | | 87,864 | 52,978 |
| Trading securities | | 3,086,130 | 1,896,451 |
| Financial instruments at fair value through profit or loss | | 351,337 | 56,449 |
| Loans and advances to customers (net of provisions) | 9 | 22,423,599 | 18,728,736 |
| Investment securities | | | |
| -Available for sale securities | 10 | 399,108 | 1,111,713 |
| Investments in subsidiaries | | 1,517,733 | 1,027,930 |
| Investments in associated undertakings | | 40,537 | 13,976 |
| Intangible assets | | 14,882 | 14,498 |
| Property, plant and equipment | | 208,111 | 201,206 |
| Investment property | | 20,725 | 17,384 |
| Deferred tax assets | | 90,940 | 80,013 |
| Inventories - property | | 53,985 | 45,733 |
| Other assets | | 433,044 | 394,072 |
| TOTAL ASSETS | | 33,732,983 | 27,941,609 |
| LIABILITIES | | | |
| Due to banks | | 6,384,833 | 4,709,542 |
| Derivative financial instruments - liabilities | | 93,518 | 61,069 |
| Due to customers | 11 | 17,278,530 | 14,606,019 |
| Debt securities in issue | 12 | 6,637,046 | 5,221,365 |
| Hybrid capital and other borrowed funds | 13 | 1,000,623 | 1,000,884 |
| Retirement benefit obligations | | 159,678 | 148,724 |
| Other provisions | | 16,481 | 16,481 |
| Current income tax liabilities | | 34,582 | 32,944 |
| Deferred tax liabilities | | 28,158 | 42,347 |
| Other liabilities | | 502,006 | 474,139 |
| TOTAL LIABILITIES | | 32,135,455 | 26,313,514 |
| EQUITY | | | |
| Ordinary shares | 15 | 1,288,830 | 1,288,830 |
| Share premium | 15 | 88,146 | 88,146 |
| Less: Treasury shares | 15 | (237,192) | (97,300) |
| Other reserves | 16 | 49,095 | 144,265 |
| Retained earnings | 16 | 408,649 | 204,154 |
| TOTAL EQUITY | | 1,597,528 | 1,628,095 |
| TOTAL EQUITY AND LIABILITIES | | 33,732,983 | 27,941,609 |

INTERIM STATEMENT OF CHANGES IN EQUITY

| | Note | Share Capital | Share Premium | Treasury shares | Other reserves | Retained earnings | TOTAL |
|---|------|------------------|----------------|------------------|----------------|-------------------|------------------|
| Opening balance as at 1 January 2006 | | 1,024,932 | 330,643 | (17,590) | 75,886 | 45,127 | 1,458,998 |
| Capitalization of share premium reserve | 15 | 256,233 | (259,200) | | | | (2,967) |
| Purchases of treasury shares | 15 | | | (103,447) | | | (103,447) |
| Available for sale reserve | 16 | | | | (51,211) | | (51,211) |
| Prior year dividends | 16 | | | | | (107,435) | (107,435) |
| Reserve for stock option plan | | | | | 2,640 | | 2,640 |
| Profit after tax 1/1/2006 - 30/6/2006 | 16 | | | | | 232,806 | 232,806 |
| Other movements | | | | | (66) | | (66) |
| Balance as at 30 June 2006 | | 1,281,165 | 71,443 | (121,037) | 27,249 | 170,498 | 1,429,318 |

| | Note | Share Capital | Share Premium | Treasury shares | Other reserves | Retained earnings | TOTAL |
|---|------|------------------|---------------|------------------|----------------|-------------------|------------------|
| Opening balance as at 1 July 2006 | | 1,281,165 | 71,443 | (121,037) | 27,249 | 170,498 | 1,429,318 |
| Issue of share capital due to the exercise of share options | 15 | 7,665 | 16,703 | | (4,981) | | 19,387 |
| Purchases of treasury shares | 15 | | | (249,921) | | | (249,921) |
| Sales of treasury shares | 15 | | | 273,658 | | 29,119 | 302,777 |
| Available for sale reserve | 16 | | | | 99,967 | | 99,967 |
| Interim dividend for year 2006 | | | | | | (85,948) | (85,948) |
| Reserve for stock option plan | | | | | 5,720 | | 5,720 |
| Profit after tax 1/7/2006 - 31/12/2006 | 16 | | | | 17,004 | 90,274 | 107,278 |
| Absorption of companies and other movements | | | | | (694) | 211 | (483) |
| Balance as at 31 December 2006 | | 1,288,830 | 88,146 | (97,300) | 144,265 | 204,154 | 1,628,095 |

| | | | | | | | |
|---|----|------------------|---------------|------------------|----------------|----------------|------------------|
| Opening balance as at 1 January 2007 | | 1,288,830 | 88,146 | (97,300) | 144,265 | 204,154 | 1,628,095 |
| Purchases of treasury shares | 15 | | | (164,309) | | | (164,309) |
| Sales of treasury shares | 15 | | | 24,417 | | 2,973 | 27,390 |
| Available for sale reserve | 16 | | | | (99,013) | | (99,013) |
| Prior year dividends | 16 | | | | | (86,462) | (86,462) |
| Reserve for stock option plan | | | | | 3,396 | | 3,396 |
| Profit after tax 1/1/2007 - 30/6/2007 | 16 | | | | | 288,431 | 288,431 |
| Other movements | | | | | 447 | (447) | 0 |
| Balance as at 30 June 2007 | | 1,288,830 | 88,146 | (237,192) | 49,095 | 408,649 | 1,597,528 |

INTERIM CASH FLOW STATEMENT

| | Note | <u>From January 1st to</u> | |
|---|------|----------------------------|--------------------|
| | | 30 June 2007 | 30 June 2006 |
| <i>Cash flows from operating activities</i> | | | |
| Profit before tax | | 313,569 | 267,853 |
| Adjustments to profit before tax: | | | |
| Add: impairment for loans and advances | 9 | 32,229 | 32,377 |
| Add: depreciation and amortisation | | 15,052 | 14,752 |
| Add: retirement benefits | | 15,897 | 11,602 |
| (Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss | | (4,894) | (4,462) |
| (Gains)/ losses from investing activities | | (181,639) | (155,207) |
| Interest on debt securities in issue and other borrowed funds | | - | 78,445 |
| | | <hr/> | <hr/> |
| <i>Cash flows from operating profits before changes in operating assets and liabilities</i> | | 190,214 | 245,360 |
| <i>Changes in operating assets and liabilities:</i> | | | |
| Net (increase)/ decrease in cash and balances with Central Bank | | 2,863 | 1,635 |
| Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss | | (1,483,548) | (794,608) |
| Net (increase)/ decrease in loans and advances to credit Institutions | | (686,186) | (104,932) |
| Net (increase)/ decrease in loans and advances to customers | | (3,701,461) | (2,675,048) |
| Net (increase)/ decrease in other assets | | (82,502) | 11,656 |
| Net increase/ (decrease) in due to banks | | 1,675,291 | 244,236 |
| Net increase/ (decrease) in amounts due to customers | | 2,672,512 | 1,678,657 |
| Net increase/ (decrease) in other liabilities | | 57,263 | 177,269 |
| | | <hr/> | <hr/> |
| <i>Net cash flow from operating activities before income tax payment</i> | | (1,355,554) | (1,215,774) |
| Income tax paid | | (7,390) | - |
| | | <hr/> | <hr/> |
| Net cash inflow/ (outflow) from operating activities | | (1,362,944) | (1,215,774) |
| <i>Cash flows from investing activities</i> | | | |
| Purchases of property, plant and equipment | | (24,675) | (63,361) |
| Sales of property, plant and equipment | | 4,603 | 9,862 |
| Purchases of intangible assets | | (4,189) | (4,067) |
| Purchases of available for sale securities | 10 | (61,933) | (279,085) |
| Disposal of available for sale securities | 10 | 766,555 | 230,983 |
| Acquisition of subsidiaries (net of cash acquired) and participation in share capital increases | | (492,917) | (40,330) |
| Disposals of subsidiaries, net of cash disposed | | 1,935 | - |
| Acquisition of associates | | (25,757) | (500) |
| Disposal of associates | | 3 | 8,529 |
| Dividends from subsidiaries | | 11,867 | 13,664 |
| Dividends from associates | | - | 1,093 |
| Dividends from available for sale securities | | 4,468 | 5,919 |
| Dividends from trading securities | | 1,779 | 587 |
| | | <hr/> | <hr/> |
| Net cash inflow/ (outflow) from investing activities | | 181,739 | (116,706) |
| <i>Cash flows from financing activities</i> | | | |
| Net proceeds from issue/ (repayment) of debt securities and other borrowed funds | | 1,415,420 | 757,679 |
| Prior year dividends paid | 16 | (86,462) | (107,435) |
| Purchases of treasury shares | 15 | (164,309) | (103,447) |
| Sales of treasury shares | 15 | 27,390 | - |
| Other cash flows from financing activities | | - | (2,967) |
| | | <hr/> | <hr/> |
| Net cash inflow/ (outflow) from financing activities | | 1,192,039 | 543,830 |
| Effect of exchange rate changes on cash and cash equivalents | | 5,076 | (428) |
| | | <hr/> | <hr/> |
| Net increase/ (decrease) in cash and cash equivalents | | 15,910 | (789,078) |
| Cash and cash equivalents at beginning of period | | 4,265,201 | 3,189,817 |
| Adjustment of opening balances of branch network in Bulgaria | | - | 166,156 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at beginning of period after adjustments | | 4,265,201 | 3,355,972 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | | 4,281,111 | 2,566,894 |

1 General Information about the Bank

Piraeus Bank S.A. is a banking institute operating in accordance with the provisions of Laws 2190/1920 on sociétés anonymes, 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 is incorporated and domiciled in Greece. The address of the registered office is 4 Amerikis st., Athens. Piraeus Bank operates in Greece and in London (U.K.). The Bank employs 4,723 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 (9.9% weight), MSCI EAFE, MSCI Pan-Euro, MSCI Euro, DJ Euro Stoxx, DJ Euro Stoxx Banks, FTSE4Good Index and Kempen SNS Smaller Europe SRI Index.

2 General accounting policies of the Bank

The same accounting policies and methods of computation as those in the annual financial statements for the year ended 31 December 2006 have been followed. Piraeus Bank applies IFRS 7 from 1/1/2007 in the interim condensed financial information as well, where this is required by IAS 34. The full disclosures required by IFRS 7 will be reported in the annual financial statements of the year 2007.

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

3 Basis of presentation of the Bank's interim condensed financial information

The 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 Bank's annual financial statements for the year ended 31 December 2006.

Piraeus Bank prepares, except for the attached interim condensed stand alone financial information, consolidated interim condensed financial information which includes the financial information of the Bank and its subsidiaries.

4 Critical accounting estimates and judgements

The Bank 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 Bank 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 or 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 in order 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 portfolio

The available for sale investments are 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. Held to maturity investments

The Bank follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgement. In making this judgement, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for 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.

5. Income taxes

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

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

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

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

Asset Management and Treasury – This segment includes asset management facilities for clients and for the Bank (wealth management facilities, mutual funds management, treasury).

Other – Includes other facilities of the bank that are not included in the above segments (Bank's administration etc.).

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

| 1st Semester 2007 | Retail Banking | Corporate Banking | Investment Banking | Asset Management & Treasury | Other business segments | Total |
|----------------------------|---------------------------|--------------------------|---------------------------|--|--|----------------|
| Revenues | 512,517 | 151,182 | 14,712 | 457,352 | 173,799 | 1,309,562 |
| Net revenues | 327,759 | 45,722 | 13,489 | 37,303 | 149,103 | 573,376 |
| Segment results | 118,714 | 7,814 | 12,812 | 21,735 | 152,494 | 313,569 |
| Profit before tax | | | | | | 313,569 |
| Income tax expense | | | | | | (25,138) |
| Profit after tax | | | | | | 288,431 |
| Other segment items | | | | | | |
| Capital expenditure | 8,870 | 144 | 9 | 357 | 19,484 | 28,864 |
| Depreciation | 7,049 | 116 | 2 | 338 | 7,547 | 15,052 |
| Impairment charge - loans | 22,898 | 8,844 | - | - | 487 | 32,229 |

| 1st Semester 2006 | Retail Banking | Corporate Banking | Investment Banking | Asset Management & Treasury | Other business segments | Total |
|----------------------------|---------------------------|--------------------------|---------------------------|--|--|----------------|
| Revenues | 401,938 | 110,814 | 2,602 | 200,251 | 164,234 | 879,839 |
| Net revenues | 291,606 | 42,927 | 2,615 | 25,934 | 144,211 | 507,293 |
| Segment results | 106,615 | 10,918 | 2,159 | 15,095 | 133,066 | 267,853 |
| Profit before tax | | | | | | 267,853 |
| Income tax expense | | | | | | (35,047) |
| Profit after tax | | | | | | 232,806 |
| Other segment items | | | | | | |
| Capital expenditure | 28,315 | 37 | 9 | 232 | 38,835 | 67,428 |
| Depreciation | 5,841 | 182 | 1 | 355 | 8,373 | 14,752 |
| Impairment charge - loans | 24,758 | 8,248 | - | (1) | (628) | 32,377 |

Other business segments results for the first semester of 2007 include amount of € 159.3 million which relates to the sale of the Bank's participation in Bank of Cyprus. Similarly, other business segments results for the first semester of 2006 include amount of € 129.8 million which relates to the sale of ING GROEP N.V. Relevant note to the sale of the participation in Bank of Cyprus and of ING GROEP N.V. is note 6.

| At 30 June 2007 | | | | | | |
|----------------------------|------------|-----------|----|------------|-----------|-------------------|
| Segment assets | 16,504,391 | 6,356,501 | 14 | 8,027,181 | 2,844,896 | 33,732,983 |
| Segment liabilities | 16,237,105 | 739,171 | - | 14,841,671 | 317,508 | 32,135,455 |
| At 31 December 2006 | | | | | | |
| Segment assets | 13,157,489 | 5,214,103 | - | 6,209,986 | 3,360,031 | 27,941,609 |
| Segment liabilities | 14,261,838 | 534,826 | - | 10,984,566 | 532,284 | 26,313,514 |

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

| | 1st Semester 2007 | 1st Semester 2006 |
|--|----------------------|----------------------|
| Gains less losses on AFS - shares and mutual funds | 162,181 | 132,731 |
| Gains less losses on AFS - bonds | 1 | - |
| Impairment of shares and mutual funds (available for sale portfolio) | (553) | - |
| | 161,629 | 132,731 |

During the first semester of 2007, Piraeus Bank sold its participation in Bank of Cyprus (8.08%). The profit before tax from the above transaction was € 159.3 million. In addition, an once off deferred tax expense of € 6 million was recognised on this sale and therefore the profit after tax was € 153.3 million.

During the first semester of 2006, Piraeus Bank's participation in ING Groep N.V. was liquidated through a series of moderated sales. The profit before tax from the above transaction was € 129.8 million.

7 Income tax expense

| | 1st Semester 2007 | 1st Semester 2006 |
|--------------|----------------------|----------------------|
| Current Tax | (16,911) | (16,272) |
| Deferred Tax | (8,227) | (18,775) |
| | (25,138) | (35,047) |

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

The tax rate for Greek legal entities, in accordance with the provisions in force of article 109, par. 1 of Law 2238/94, amounts to 29% for the year 2006 and 25% for the year 2007.

However, upon completion of the merger with the Hellenic Investment Company within 2005, in accordance with the provisions of article 9, par. 2 and 3 of Law 2992/2002, for the year 2006, income tax was defined according to a tax rate, on the Bank's taxable profits, reduced by five (5) percentage points, namely 24% (29% minus 5%).

8 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of shares in issue during the year, excluding the average number of ordinary shares purchased by Piraeus Bank 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 currently in force (note 15) is the only case of dilutive potential ordinary shares for the Bank. Specifically, 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 is added on the weighted average number of ordinary shares used for the calculation of the basic earnings per share.

| | 1/1 - 30/6/2007 | 1/1 - 30/6/2006 | 1/4 - 30/6/2007 | 1/4 - 30/6/2006 |
|---|-----------------|-----------------|-----------------|-----------------|
| Basic earnings per share | | | | |
| Profit after tax | 288,431 | 232,806 | 70,440 | 71,309 |
| Weighted average number of shares in issue | 262,860,672 | 265,582,162 | 261,350,747 | 264,235,802 |
| Basic earnings per share (in euros) | 1.10 | 0.88 | 0.27 | 0.27 |
| Diluted earnings per share | | | | |
| Profit after tax | 288,431 | 232,806 | 70,440 | 71,309 |
| Weighted average number of shares in issue | 262,860,672 | 265,582,162 | 261,350,747 | 264,235,802 |
| Adjustment for share options | 2,145,143 | 1,168,849 | 2,205,153 | 1,227,178 |
| Weighted average number of shares in issue for the diluted earnings per share calculation | 265,005,815 | 266,751,011 | 263,555,900 | 265,462,980 |
| Diluted earnings per share (in euros) | 1.09 | 0.87 | 0.27 | 0.27 |

The weighted average number of shares for the calculation of the basic and diluted EPS, for the period 1/1 - 30/6/2006 and for the 2nd quarter of 2006, has been adjusted in accordance with the requirements of IAS 33 proportionally from 1/1/2006, in order to take into account the bonus issue (1 free new share for every 4 old shares) which was decided by the 2nd Iterative General Meeting on 15/5/2006.

9 Loans and advances to customers

| | 30 June 2007 | 31 December 2006 |
|--|-------------------|---------------------|
| Loans to individuals | | |
| Mortgages | 4,724,222 | 4,214,628 |
| Consumer/ personal and other loans | 2,153,462 | 1,907,758 |
| Credit cards | 489,178 | 405,831 |
| | 7,366,862 | 6,528,217 |
| Loans to corporate entities | 15,347,410 | 12,513,409 |
| Total loans and advances to customers | 22,714,272 | 19,041,626 |
| Less: Allowance for losses (impairment) on loans and advances to customers | (290,673) | (312,890) |
| Total loans and advances to customers (after allowance for losses) | 22,423,599 | 18,728,736 |

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

a) Loans to individuals

| | Mortgages | Consumer/ personal loans | Credit cards | Total |
|---|---------------|-----------------------------|---------------|----------------|
| Balance at 1 January 2006 | 15,207 | 68,549 | 33,245 | 117,001 |
| Less: opening balance of branch network in Bulgaria | - | (448) | - | (448) |
| Charge for the period | (271) | (125) | (169) | (565) |
| Loans written-off | (95) | (2,499) | (872) | (3,466) |
| Balance at end of period 30/6/2006 | 14,841 | 65,477 | 32,204 | 112,522 |
| Balance at 1 July 2006 | 14,841 | 65,477 | 32,204 | 112,522 |
| Charge for the period | 2,675 | 11,200 | 5,425 | 19,300 |
| Loans written-off | (8,925) | (1,470) | (24,814) | (35,209) |
| Balance at end of year 31/12/2006 | 8,591 | 75,207 | 12,815 | 96,613 |
| Balance at 1 January 2007 | 8,591 | 75,207 | 12,815 | 96,613 |
| Charge for the period | 89 | 16,272 | 6,100 | 22,461 |
| Loans written-off | - | (20,707) | (407) | (21,114) |
| Balance at end of period 30/6/2007 | 8,680 | 70,772 | 18,508 | 97,960 |

b) Loans to corporate entities

| | |
|---|----------------|
| Balance at 1 January 2006 | 244,467 |
| Less: opening balance of branch network in Bulgaria | (548) |
| Charge for the period | 32,418 |
| Loans written-off | (17,571) |
| Foreign exchange differences | (53) |
| Balance at end of period 30/6/2006 | 258,713 |
| Balance at 1 July 2006 | 258,713 |
| Charge for the period | 8,478 |
| Loans written-off | (50,445) |
| Foreign exchange differences | (468) |
| Balance at end of year 31/12/2006 | 216,278 |
| Balance at 1 January 2007 | 216,278 |
| Charge for the period | 9,768 |
| Loans written-off | (32,702) |
| Foreign exchange differences | (631) |
| Balance at end of period 30/6/2007 | 192,713 |

The charge for the first semester of 2006 (€ 32,377 th.) includes amount of € 524 th. which relates to the impairment on loans and advances to customers of the Piraeus Bank branch network in Bulgaria for the period from 1/1/2006 until its absorption on 24/3/2006 by Piraeus Bank's subsidiary, Piraeus Bank Bulgaria A.D.

10 Investment securities

| | 30 June 2007 | 31 December 2006 |
|--|-----------------|---------------------|
| Available for sale securities - fair values | | |
| Bonds and other fixed income securities | | |
| Greek Government bonds | 101,997 | 355,826 |
| Corporate entities bonds | 142,268 | 121,976 |
| Bank bonds | 54,857 | 37,295 |
| | 299,122 | 515,097 |
| Shares and other variable income securities | | |
| Listed shares | 5,751 | 472,457 |
| Unlisted shares | 94,235 | 124,159 |
| | 99,986 | 596,616 |
| Total available for sale securities | 399,108 | 1,111,713 |

The movement for the available for sale portfolio is as follows:

| | 1,111,713 | 415,790 |
|---|------------------|------------------|
| Balance at 1 January (1/1/2007 and 1/1/2006 respectively) | 1,111,713 | 415,790 |
| Additions | 61,933 | 863,649 |
| Transfers from subsidiaries | - | 4,915 |
| Transfers from associates | 7,255 | - |
| Disposals | (766,555) | (364,626) |
| Transfers to associates | (14,358) | - |
| Recognition of loans according to IAS 39 | (25,000) | - |
| Changes in fair value (note 16) | 27,577 | 197,325 |
| Impairment value (note 6) | (553) | - |
| Foreign exchange differences | (2,904) | (5,340) |
| Balance at end of period (30/6/2007 and 31/12/2006 respectively) | 399,108 | 1,111,713 |

Note 6 is related to the sale of Bank of Cyprus and ING GROEP N.V. shares.

11 Due to customers

| | 30 June 2007 | 31 December 2006 |
|--|-------------------|---------------------|
| Corporate customers | | |
| Sight deposits | 2,317,970 | 2,050,788 |
| Term deposits | 4,023,346 | 2,951,476 |
| Other deposits | 49,732 | 35,525 |
| Retail | | |
| Savings account | 3,498,434 | 3,440,952 |
| Sight deposits | 1,355,309 | 1,209,874 |
| Term deposits | 5,846,795 | 4,679,263 |
| Other deposits | 16,048 | 16,702 |
| Repurchase agreements | | |
| Corporate | 49,355 | 99,387 |
| Retail | 5,069 | 6,112 |
| Cheques payable and remittances | 116,472 | 115,940 |
| | 17,278,530 | 14,606,019 |

12 Debt securities in issue

| | Currency | Average interest rate (%) | | 30 June 2007 | 31 December 2006 |
|---|----------|---------------------------|--------------------------|------------------|---------------------|
| | | 1st Semester 2007 | 2006 | | |
| ETBA bonds | EUR | 3.48% | 2.87% | 766,495 | 791,606 |
| Euro Commercial Paper | EUR | 3.90% | 3.00% | 2,275,525 | 1,558,883 |
| | USD | 5.41% | 5.13% | 153,829 | 227,783 |
| | GBP | 5.46% | 4.75% | 80,978 | 89,061 |
| | CHF | 2.30% | - | 12,080 | - |
| | JPY | 0.54% | 0.39% | 20,966 | 10,193 |
| | | | | 2,543,378 | 1,885,920 |
| Euro Medium Term Note | | | Interest rate (%) | | |
| € 18 m. floating rate notes due 2007 | | | Euribor + 0.10 | - | 17,961 |
| € 350 m. floating rate notes due 2007 | | | Euribor + 0.30 | 264,750 | 270,827 |
| € 32.5 m. floating rate notes due 2010 | | | Variable | 705 | 705 |
| € 21.65 m. floating rate notes due 2010 | | | Variable | 1,350 | 1,350 |
| € 18 m. floating rate notes due 2007 | | | Euribor + 0.10 | 17,377 | 17,982 |
| € 2.45 m. floating rate notes due 2007 | | | Variable | 2,450 | 2,450 |

Piraeus Bank - 30 June 2007
Amounts in thousand euros (Unless otherwise stated)

| Euro Medium Term Note | Interest rate (%) | 30 June 2007 | 31 December 2006 |
|---|--------------------------|-------------------------|-----------------------------|
| € 500 m. floating rate notes due 2010 | Euribor + 0.30 | 493,283 | 497,895 |
| € 2.15 m. floating rate notes due 2008 | Variable | 2,150 | 2,150 |
| € 3.43 m. floating rate notes due 2009 | Variable | 3,425 | 3,425 |
| USD 15 m. floating rate notes due 2009 | Libor + 0.10 | 8,373 | 8,928 |
| USD 20 m. floating rate notes due 2009 | Libor + 0.20 | 8,872 | 8,334 |
| USD 15 m. floating rate notes due 2008 | Libor + 0.05 | 10,087 | 10,092 |
| € 500 m. floating rate notes due 2009 | Euribor + 0.20 | 498,298 | 491,639 |
| € 25 m. floating rate notes due 2008 | Euribor + 0.15 | 24,995 | 24,995 |
| € 60 m. floating rate notes due 2014 | Variable | 60,000 | 60,000 |
| € 20 m. floating rate notes due 2008 | Euribor + 0.10 | 15,142 | 19,069 |
| € 10 m. floating rate notes due 2013 | Euribor + 0.30 | 9,987 | 9,987 |
| € 500 m. floating rate notes due 2011 | Euribor + 0.25 | 472,712 | 484,549 |
| € 10 m. floating rate notes due 2013 | Euribor + 0.15 | 10,000 | 10,000 |
| € 20 m. floating rate notes due 2008 | Euribor + 0.05 | 11,591 | 13,115 |
| € 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 | - |
| € 750 m. floating rate notes due 2010 | Euribor + 0.20 | 733,119 | - |
| € 53 m. floating rate notes due 2008 | Euribor + 0.08 | 53,000 | - |
| € 60 m. floating rate notes due 2008 | Euribor + 0.05 | 59,965 | - |
| Accrued interest and other expenses | | 10,805 | 7,402 |
| | | 2,827,486 | 1,967,905 |
| Securitisation of mortgage loans | | | |
| € 750 m. floating rate notes due 2040 | Euribor + 0.18 | 499,687 | 575,934 |
| Total debt securities in issue | | 6,637,046 | 5,221,365 |

Issues under Euro Commercial Paper and Euro Medium Term Note programs are undertaken through the subsidiary Piraeus Group Finance PLC.

The Euro Commercial Paper (ECP) short term securities in issue amounted to € 2.1 billion, without significant change in the level of average maturity or the interest spread.

Securities issuance activity through the Euro Medium Term Note Program (EMTN), from the beginning of 2007, included investors through private placements.

The issue of the new 3 year senior bond of € 750 million was concluded in March 2007. The bond was issued under Piraeus Bank's Euro Medium Term Note (EMTN) programme. The new 3 year bond is a floating rate note (FRN) with a coupon of Euribor plus 20 basis points.

In 2005, 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 plus by 18 basis points.

13 Hybrid capital and other borrowed funds

| Hybrid Capital (TIER I) | Interest rate (%) | 30 June 2007 | 31 December 2006 |
|--|--------------------------|-------------------------|-----------------------------|
| € 200 m. floating rate notes | Euribor + 1.25 | 199,670 | 199,958 |
| Accrued interest and other expenses | | 1,436 | 1,205 |
| | | 201,106 | 201,163 |
| Subordinated debt (TIER II) | | | |
| € 400 m. floating rate notes due 2014 | Euribor + 0.60 | 398,338 | 398,149 |
| € 400 m. floating rate notes due 2016 | Euribor + 0.55 | 398,873 | 399,080 |
| Accrued interest and other expenses | | 2,306 | 2,492 |
| | | 799,517 | 799,721 |
| Total hybrid capital and other borrowed funds | | 1,000,623 | 1,000,884 |

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.

Subordinated debt (TIER II) has been issued by Piraeus Group Finance PLC. Initially, on 29/9/2004, an amount of € 400 million was issued, with a 10 year maturity, which is callable by the issuer after 5 years and bears a 3 month Euribor nominal coupon increased by 60 basis points. Subsequently, on 20/7/2006, an amount of € 400 million was issued, with a 10 year maturity, which is callable after 5 years and bears a 3 month Euribor nominal coupon increased by 55 basis points.

Accrued interest of hybrid capital and other borrowed funds is included in the related borrowed funds. The Bank has not any defaults of principal, interest or redemption amounts of hybrid capital and other borrowed funds during the period.

14 Contingent liabilities and commitments

A) Legal procedures

For the legal proceedings outstanding against the Bank as at 30/06/2007, no provision has been made, as according to the opinion of the Bank's legal affairs division no significant loss will arise.

B) Credit commitments

As at 30/06/2007 the Bank had the following capital commitments:

| | 30 June 2007 | 31 December 2006 |
|------------------------------|-------------------|---------------------|
| Letters of guarantee | 2,054,527 | 1,839,005 |
| Letters of credit | 129,879 | 116,457 |
| Commitments to extend credit | 9,819,981 | 8,311,270 |
| | 12,004,387 | 10,266,732 |

C) Assets pledged

| | 30 June 2007 | 31 December 2006 |
|--------------------|-----------------|---------------------|
| Trading securities | 188,016 | 188,016 |

D) Operating lease commitments

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

| | 30 June 2007 | 31 December 2006 |
|-------------------|-----------------|---------------------|
| Up to 1 year | 43,937 | 38,595 |
| From 1 to 5 years | 188,561 | 165,829 |
| More than 5 years | 393,363 | 344,394 |
| | 625,861 | 548,818 |

15 Share capital

| | Ordinary shares | Share premium | Treasury shares | Total |
|---|------------------|----------------|------------------|------------------|
| Opening balance at 1st January 2006 | 1,024,932 | 330,643 | (17,590) | 1,337,985 |
| Capitalization of share premium | 256,233 | (259,200) | - | (2,967) |
| Issue of share capital from the exercise of share options of the 2nd and 3rd share option plans | 7,665 | 16,703 | - | 24,368 |
| Purchases of treasury shares | - | - | (353,368) | (353,368) |
| Sales of treasury shares | - | - | 273,658 | 273,658 |
| Balance at 31st December 2006 | 1,288,830 | 88,146 | (97,300) | 1,279,676 |
| Opening balance at 1st January 2007 | 1,288,830 | 88,146 | (97,300) | 1,279,676 |
| Purchases of treasury shares | - | - | (164,309) | (164,309) |
| Sales of treasury shares | - | - | 24,417 | 24,417 |
| Balance at 30 June 2007 | 1,288,830 | 88,146 | (237,192) | 1,139,784 |

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

| | Number of shares | | Net number of shares |
|--|--------------------|--------------------|-------------------------|
| | Issued shares | Treasury shares | |
| Opening balance at 1st January 2006 | 214,870,434 | (1,021,461) | 213,848,973 |
| Issue of shares due to distribution of free shares | 53,717,609 | (1,158,257) | 52,559,352 |
| Issue of shares due to the exercise of share options | 1,606,988 | - | 1,606,988 |
| Purchases of treasury shares | - | (16,578,359) | (16,578,359) |
| Sales of treasury shares | - | 14,000,000 | 14,000,000 |
| Balance at 31st December 2006 | 270,195,031 | (4,758,077) | 265,436,954 |

| | Number of shares | | Net number of shares |
|--|--------------------|---------------------|-------------------------|
| | Issued shares | Treasury shares | |
| Opening balance at 1st January 2007 | 270,195,031 | (4,758,077) | 265,436,954 |
| Purchases of treasury shares | - | (6,366,091) | (6,366,091) |
| Sales of treasury shares | - | 1,000,000 | 1,000,000 |
| Balance at 30 June 2007 | 270,195,031 | (10,124,168) | 260,070,863 |

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.

The above mentioned share capital amount was a result of: a) the decision taken by the 2nd Iterative General Meeting of Piraeus Bank shareholders, held on 15/05/2006, to increase the share capital by € 256,232,994.93 by capitalization of part of the share premium reserve account, and issue 53,717,609 new common registered shares to be distributed to shareholders - one (1) free new share for every four (4) old shares and b) the decision of the Board of Directors' meeting on 27/12/2006 to proceed to an increase of the Bank's share capital by € 7,665,332.76 paid in cash, issuing 1,606,988 new registered voting shares at a par value of € 4.77 each, due to the exercise of the stock options.

In addition, amount € 4.980.856 that relates to the cost of the exercised share options was transferred to the share premium from the reserve for share option plans, according to the IFRS regulations. Following the above increase, the Bank's total share capital rises to € 1,288,830,297.87 divided into 270,195,031 registered voting shares, each at a par value of € 4.77.

Share option plans

2nd share option plan

The 2nd Iterative 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 is in force and being already implemented since 2005 and expires in December of the year 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 at the time the decision was taken, according to the article 13 par. 9 of Law 2190/1920.

On the 30th of November of each year, 1/4 of the total number of granted share options vests, and each holder is 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 is not lower than the percentage increase of the Athens Stock Exchange Bank Index for the equivalent period. The exercise price is € 12.20 per share.

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 2008.

The 2nd Iterative General Meeting of the Bank's Shareholders, which was held on 15/5/2006, resolved the related adjustment of the above mentioned share option plan. Specifically, it was decided a) the total number of shares issued according to the above mentioned share option plan increased from 2,000,000 to 2,500,000 so that their percentage over the Bank's total shares remains stable following the adjustment of the percentage due to the resolved share capital increase by the same General Meeting and b) the corresponding adjustment of the exercise price for each share from € 12.20 to € 9.76.

The adjusted data of the above mentioned share option plan is presented below:

| Exercise date | Exercise price | Fair value of options | Number of share options |
|---------------|----------------|-----------------------|-------------------------|
| 30/11/2006 | 9.76 | 2.98 | 1,250,000 |
| 30/11/2007 | 9.76 | 2.88 | 625,000 |
| 30/11/2008 | 9.76 | 2.76 | 625,000 |
| | | | 2,500,000 |

The fair value of options granted, at each exercise date, has been determined using the Black-Scholes valuation model. The significant inputs into the model are: share price at the grant date (€ 15.98), exercise price (€ 9.76), dividend yield, discount interest rate and volatility of the share price (17.5%).

In December 2006, 1,066,588 share options of the 2nd share option scheme were exercised. The total amount paid by the holders of the share options for the purchase of the shares was € 10,409,898.88.

3rd share option plan

Also, the same General Meeting (15/5/2006) resolved, in accordance with article 13, par. 9, Law 2190/1920, to establish a five-year share option plan for the Directors and executives of the Bank and its affiliated companies for maximum 4,028,820 new shares, corresponding to 1.5% of the Bank's total shares, after the share capital increase resolved by the same General Meeting, namely 0.3% for every year of the Plan and at an issue price of € 17.25. The above price resulted from the average share market price of the six-month period prior to the General Meeting, i.e. € 21.56, adjusted to the resolution of the same General Meeting to distribute the free shares.

This share option plan is already being implemented since 2006 and expires in December of the year 2010, parallel and independently from the plan resolved by the General Meeting of Piraeus Bank's shareholders on 16/5/2005. On the 30th of November of each year that the plan will be in force, 1/5 of the total number of granted share options will vest and each holder will be able to exercise the vested options. 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 2010.

The adjusted data of the 3rd plan of distribution of shares is presented below:

| Exercise date | Exercise price | Fair value of options | Number of share options |
|---------------|----------------|-----------------------|-------------------------|
| 30/11/2006 | 17.25 | 3.33 | 805,764 |
| 30/11/2007 | 17.25 | 3.33 | 805,764 |
| 30/11/2008 | 17.25 | 3.33 | 805,764 |
| 30/11/2009 | 17.25 | 3.32 | 805,764 |
| 30/11/2010 | 17.25 | 3.24 | 805,764 |
| | | | 4,028,820 |

The fair value of options granted has been determined using the Black-Scholes valuation model. The significant inputs into the model are: share price at the grant date (€ 17.26), exercise price (€ 17.25), dividend yield (annual increase 20%), discount interest rate (3.63%) and volatility of the share price (25%).

In December 2006, 540,400 share options of the 3rd share option scheme were exercised. The total amount paid by the holders of the share options for the purchase of the shares was € 9,321,900.00.

16 Other reserves and retained earnings

| | 30 June 2007 | 31 December 2006 |
|---|-----------------|---------------------|
| Legal reserve | 30,103 | 30,103 |
| Available for sale reserve | 12,016 | 111,029 |
| Other reserves | 6,976 | 3,133 |
| Retained earnings | 408,649 | 204,154 |
| Total other reserves and retained earnings | 457,744 | 348,419 |

Movements in reserves for the period were as follows:

| | 30 June 2007 | 31 December 2006 |
|---|-----------------|---------------------|
| Legal reserve | | |
| Opening balance | 30,103 | 13,080 |
| Transfer from retained earnings | - | 17,004 |
| Absorption of companies and other movements | - | 19 |
| Closing balance | 30,103 | 30,103 |
| | | |
| Available for sale reserve | | |
| Opening Balance | 111,029 | 62,273 |
| Gains/ (losses) from the valuation of AFS bonds (note 10) | 761 | (438) |
| Gains/ (losses) from the valuation of AFS shares (note 10) | 26,816 | 197,763 |
| Deferred income tax | 33,343 | (15,097) |
| Recycling of the accumulated fair value adjustment of disposed AFS securities | (162,182) | (133,971) |
| Foreign exchange differences and other adjustments | 2,249 | 499 |
| Closing balance | 12,016 | 111,029 |
| | | |
| Retained earnings | | |
| Opening balance | 204,154 | 45,128 |
| Mergers - canceling of treasury shares | - | 211 |
| Profit after tax for the period/ year | 288,431 | 340,084 |
| Transfer to legal reserve | - | (17,004) |
| Dividend for prior year | (86,462) | (107,435) |
| Interim dividend for year 2006 | - | (85,948) |
| Gains/ (losses) from sales of treasury shares | 2,973 | 29,118 |
| Other movements | (447) | - |
| Closing balance | 408,649 | 204,154 |

During the Annual General Meeting of shareholders of Piraeus Bank which was held on April 3, 2007, it was decided among other € 0.64 dividend per share for the year 2006 (the interim dividend mentioned below included). Out of the total amount of dividend per share (€ 0.64), an interim dividend of € 0.32 per share was paid in December 2006 in accordance with the decision of the Board of Directors of 8/11/2006. The interim dividend (€ 0.32 per share) was recognised as a deduction in the Bank's equity during 2006. The remaining dividend for distribution (€ 0.32 per share) was paid in April 2007.

17 Related parties transactions

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

Piraeus Bank - 30 June 2007
Amounts in thousand euros (Unless otherwise stated)

Board of Directors members and key management personnel

| | 30 June 2007 | 31 December 2006 |
|----------|-----------------|---------------------|
| Loans | 72,179 | 82,536 |
| Deposits | 45,062 | 56,048 |

Letters of guarantees and letters of credits to the members of the board of directors and to the key management personnel as at 30/06/2007 are € 5.3 million (2006: € 9.5 million). Letters of guarantees to subsidiaries as at 30/06/2007 are € 93.3 million (2006: € 121.2 million). The total income and expense on loans and deposits to/ from members of the board of directors and the key management personnel for the period 1/1 - 30/06/2007 is € 1.8 million and € 0.5 million respectively.

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.

Director's remuneration

| | 30 June 2007 | 31 December 2006 |
|---------------------------------|-----------------|---------------------|
| Salaries and other remuneration | 4,866 | 11,310 |
| Termination benefits | 1,804 | - |
| | 6,670 | 11,310 |

The total cost for the share options granted to Board of Directors members and key management personnel is € 1.6 million (2006: € 3.3 million). The total amount of provisions for Board of Directors members and key management personnel is € 35.5 million as at 30/06/2007 (2006: € 31.5 million). This amount has been included in retirement benefit obligation.

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

| | 30 June 2007 | 31 December 2006 |
|---|------------------------------|------------------------------|
| I. Subsidiaries | | |
| Assets | | |
| Cash and Balances with Central Bank | 1,519 | 1,728 |
| Loans and advances to credit institutions | 1,092,586 | 489,982 |
| Loans and advances to customers | 1,863,253 | 1,758,666 |
| Other assets | 48,853 | 41,187 |
| Total | 3,006,211 | 2,291,563 |
| Liabilities | | |
| Due to banks | 208,078 | 144,713 |
| Due to customers | 222,600 | 195,651 |
| Debt securities in issue | 5,872,848 | 4,432,996 |
| Other borrowed funds | 1,002,735 | 1,002,412 |
| Other liabilities | 26,654 | 23,271 |
| Total | 7,332,915 | 5,799,043 |
| Revenues | 1st Semester 2007 | 1st Semester 2006 |
| Interest and similar income | 60,693 | 43,299 |
| Fee and commission income | 14,335 | 9,345 |
| Other operating income | 716 | 1,245 |
| Total | 75,744 | 53,889 |
| Expenses | 1st Semester 2007 | 1st Semester 2006 |
| Interest expense and similar charges | (141,582) | (75,821) |
| Fee and commission expense | (9,984) | (7,926) |
| Administrative expenses | (20,878) | (20,420) |
| Total | (172,444) | (104,167) |
| II. Associates | | |
| | 30 June 2007 | 31 December 2006 |
| Deposits | 27,404 | 21,624 |
| Loans | 151 | 4,252 |
| | 1st Semester 2007 | 1st Semester 2006 |
| Interest/ expense | (295) | (28) |
| Interest/ income | 8 | 527 |

18 Post Balance Sheet events

Within July 2007 Piraeus Bank concluded the issuance of its second securitization equal to €1.25 billion, by securitizing part of its residential mortgage portfolio. The issuer of the bonds is Estia Mortgage Finance II Plc, a special purpose entity established in the United Kingdom.

The Board of Directors of Piraeus Bank on 06.07.2007 has unanimously resolved to increase the share capital of the Bank via a rights issue, in accordance with the resolution of the Bank's general shareholders' meeting dated 3 May 2007. The transaction will raise approximately €1.35 bn. Pursuant to the terms of the capital increase, a total of 67,548,758 new common registered shares will be issued at a par value of €4.77 each and at a subscription price of €20 each (the "Offer Price"). The newly issued shares will have the right to receive dividends and interim dividends, if any, for the year 2007 and following years. The capital increase will be effected via an offering of pre-emptive rights in favour of existing shareholders at a ratio of 1 new to 4 old shares. Subscribing shareholders will be entitled to subscribe at the Offer Price for the acquisition of unsubscribed shares for up to four times their exercised preemptive rights. Goldman Sachs International and Morgan Stanley will act as Global Coordinators and Bookrunners for the offering, and have agreed to underwrite the capital increase in full. The proceeds of the capital increase will be used to support the capital adequacy ratios of the Bank and will enhance its financial flexibility for future growth both organically and through selective acquisitions in line with its disciplined acquisition criteria. The Bank also plans to propose a motion to cancel its 10.4 million (3.8%) treasury shares currently held for a total value of approximately €230 million at its next Annual General Meeting in 2008.

On July 25th 2007, Piraeus Bank, following the approval by the Hellenic Competition Committee dated 17/7/2007, concluded the acquisition of 100% of the share capital of «Olympic Emporikes kai Touristikos Epicheiriseis S.A.», from Avis Europe Group Holdings BV, for an aggregate consideration of € 25.5 million.

Athens, July 30th 2007

CHAIRMAN
OF THE BOARD OF DIRECTORS

MICHALIS G. SALLAS

VICE-CHAIRMAN
OF THE BOARD OF DIRECTORS
AND MANAGING DIRECTOR

MICHALIS I. COLAKIDES

ASST. GENERAL MANAGER

CONSTANTINOS I. LIAPIS

FINANCE DIRECTOR

AGAMEMNON E. POLITIS

Report on Review of Interim Financial Information

To the Shareholders of PIRAEUS BANK S.A.

Introduction

We have reviewed the accompanying condensed balance sheet of Piraeus Bank S.A. as of 30 June 2007 and the related condensed statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards, as endorsed by the European Union, applying to Interim Financial Reporting ("International Accounting Standard 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as referred to by the Greek Standards on Auditing. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PRICEWATERHOUSECOOPERS 

July 30, 2007