



PIRAEUS BANK S.A.

**Interim Condensed Financial
Statements**

31 March 2007

According to the International
Financial Reporting Standards

The attached interim condensed financial statements have been approved by the Piraeus Bank S.A. Board of Directors on May 7th, 2007 and they are available in 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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INTERIM INCOME STATEMENT

	Note	Period from 1 January to	
		31 March 2007	31 March 2006
Interest and similar income		491,028	298,967
Interest expense and similar charges		(332,485)	(167,168)
NET INTEREST INCOME		158,543	131,799
Fee and commission income		32,999	30,895
Fee and commission expense		(6,994)	(6,515)
NET FEE AND COMMISSION INCOME		26,005	24,380
Dividend income		1,708	1,809
Net trading income		(4,624)	8,610
Net income from financial instruments designated at fair value		15,258	(3,143)
Gains/ (Losses) from investment securities	6	158,943	130,480
Other operating income		4,193	3,636
TOTAL NET INCOME		360,026	297,571
Staff costs		(57,529)	(50,994)
Administrative expenses		(40,528)	(37,106)
Depreciation and amortisation		(8,305)	(7,463)
Gains/ (Losses) from sale of property, plant and equipment		(599)	(46)
Impairment losses on loans and advances		(20,068)	(21,613)
TOTAL OPERATING EXPENSES		(127,029)	(117,222)
PROFIT BEFORE INCOME TAX		232,997	180,349
Income tax expense	7	(15,006)	(18,852)
PROFIT FOR THE YEAR		217,991	161,497
Earnings per share (in euros):			
- Basic	8	0.82	0.61
- Diluted	8	0.82	0.60

INTERIM BALANCE SHEET

	Note	31 March 2007	31 December 2006
ASSETS			
Cash and balances with Central Banks		1,384,342	1,361,547
Loans and advances to credit institutions		4,712,265	2,938,923
Derivative financial instruments - assets		84,110	52,978
Trading securities		2,475,810	1,896,451
Financial instruments at fair value through profit or loss		55,898	56,449
Loans and advances to customers (net of provisions)	9	20,270,178	18,728,736
Investment securities			
-Available for sale securities	10	691,222	1,111,713
Investments in subsidiaries		1,048,025	1,027,930
Investments in associated undertakings		20,926	13,976
Intangible assets		13,874	14,498
Property, plant and equipment		202,611	201,206
Investment property		17,755	17,384
Deferred tax assets		85,541	80,013
Inventories - property		50,071	45,733
Other assets		425,672	394,072
TOTAL ASSETS		31,538,300	27,941,609
LIABILITIES			
Due to banks		5,194,338	4,709,542
Derivative financial instruments - liabilities		103,692	61,069
Due to customers	11	16,346,052	14,606,019
Debt securities in issue	12	6,560,821	5,221,365
Hybrid capital and other borrowed funds	13	992,788	1,000,884
Retirement benefit obligations		151,598	148,724
Other provisions		16,481	16,481
Current income tax liabilities		39,386	32,944
Deferred tax liabilities		20,682	42,347
Other liabilities		434,136	474,139
TOTAL LIABILITIES		29,859,974	26,313,514
EQUITY			
Ordinary shares	15	1,288,830	1,288,830
Share premium	15	88,146	88,146
Less: Treasury shares	15	(171,174)	(97,300)
Other reserves	16	47,852	144,265
Retained earnings	16	424,672	204,154
TOTAL EQUITY		1,678,326	1,628,095
TOTAL EQUITY AND LIABILITIES		31,538,300	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
Purchases of treasury shares	15			(20,070)			(20,070)
Available for sale reserve	16				(56,715)		(56,715)
Reserve for stock option plan					1,320		1,320
Profit after tax for the first quarter of 2006						161,497	161,497
Other movements					(67)	(67)	(134)
Balance as at 31 March 2006		1,024,932	330,643	(37,660)	20,424	206,557	1,544,896

	Note	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings	TOTAL
Opening balance as at 1 April 2006		1,024,932	330,643	(37,660)	20,424	206,557	1,544,896
Capitalization of share premium reserve	15	256,233	(259,200)				(2,967)
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			(333,298)			(333,298)
Sales of treasury shares	15			273,658		29,119	302,777
Available for sale reserve	16				105,471		105,471
Prior year dividends						(107,435)	(107,435)
Interim dividend for year 2006						(85,948)	(85,948)
Offset of the reserve formed according to article 38, Law 2238/ 1994 with current year's profit							0
Reserve for stock option plan					7,040		7,040
Profit after tax for the period 1/4/2006 - 31/12/2006					17,004	161,583	178,587
Absorption of companies and other movements					(693)	278	(415)
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			(94,430)			(94,430)
Sales of treasury shares	15			20,556		2,973	23,529
Available for sale reserve	16				(98,555)		(98,555)
Reserve for stock option plan					1,696		1,696
Profit after tax for the first quarter of 2007						217,991	217,991
Other movements					446	(446)	0
Balance as at 31 March 2007		1,288,830	88,146	(171,174)	47,852	424,672	1,678,326

INTERIM CASH FLOW STATEMENT

	Note	<u>From January 1st to</u> 31 March 2007	31 March 2006
<i>Cash flows from operating activities</i>			
Profit before tax		232,997	180,349
Adjustments to profit before tax:			
Add: impairment for loans and advances	9	20,068	21,613
Add: depreciation		8,305	7,463
Add: retirement benefits		4,529	5,842
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		7,400	(2,702)
(Gains)/ losses from investing activities		(160,052)	(132,243)
Interest on debt securities in issue and other borrowed funds		-	35,751
<i>Cash flows from operating profits before changes in operating assets and liabilities</i>		113,247	116,073
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		2,946	(1)
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		(579,469)	646,805
Net (increase)/ decrease in loans and advances to credit Institutions		(214,333)	(13,500)
Net (increase)/ decrease in loans and advances to customers		(1,560,881)	(1,059,739)
Net (increase)/ decrease in other assets		(78,972)	8,501
Net increase/ (decrease) in due to banks		484,796	98,442
Net increase/ (decrease) in amounts due to customers		1,740,033	997,656
Net increase/ (decrease) in other liabilities		1,980	65,802
Net cash inflow/ (outflow) from operating activities		(90,653)	860,040
<i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment		(11,094)	(8,751)
Sales of property, plant and equipment		2,265	559
Purchases of intangible assets		(1,241)	(983)
Purchases of available-for-sale securities	10	(54,457)	(5,634)
Disposal of available-for-sale securities	10	499,225	205,206
Acquisition of subsidiaries (net of cash acquired) and participation in share capital increases		(22,302)	(216)
Disposals of subsidiaries, net of cash disposed		2,000	-
Acquisition of associates		(6,950)	-
Disposal of associates		-	4,628
Dividends from available for sale securities		194	-
Net cash inflow/ (outflow) from investing activities		407,640	194,809
<i>Cash flows from financing activities</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		1,331,361	487,160
Purchases of treasury shares	15	(94,430)	(20,070)
Sales of treasury shares		23,529	-
Net cash inflow/ (outflow) from financing activities		1,260,460	467,090
Effect of exchange rate changes on cash and cash equivalents		2,019	2,792
Net increase/ (decrease) in cash and cash equivalents		1,579,466	1,524,731
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
Cash and cash equivalents at beginning of period after adjustments		4,265,201	3,355,972
Cash and cash equivalents at end of period		5,844,667	4,880,703

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 4,668 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 (8.8% 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 statements 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 statements attached are expressed in thousand euros.

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

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

Piraeus Bank prepares, except for the attached interim condensed stand alone financial statements, consolidated interim condensed financial statements which include the financial statements 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 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 bank 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 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 portfolio is recorded at fair value. Changes of fair value are recorded in the AFS reserve. The Bank determines that available for sale portfolio is 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. This determination of what is significant or prolonged requires judgement. The determination of the fair value of the Available for sale portfolio, when quoted market prices are not available, is based on several valuation pricing models, which also requires judgement. In making these judgements, the Bank evaluates among other factors, evidence of deterioration in the financial health of the investee, industry and sector performance.

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:

<u>1st Quarter 2007</u>	<u>Retail Banking</u>	<u>Corporate Banking</u>	<u>Investment Banking</u>	<u>Asset Management & Treasury</u>	<u>Other business segments</u>	<u>Total</u>
Revenues	259,059	79,899	11,787	175,053	173,707	699,505
Net revenues	154,142	25,835	11,435	19,529	149,085	360,026
Segment results	42,509	4,925	11,384	9,680	164,499	232,997
Profit before tax						232,997
Income tax expense						(15,006)
Profit after tax						217,991
Other segment items						
Capital expenditure	4,759	35	6	47	7,488	12,335
Depreciation	3,878	64	1	203	4,159	8,305
Impairment charge - loans	14,704	5,309	-	-	55	20,068
1st Quarter 2006						
Revenues	189,572	52,629	514	93,335	135,204	471,254
Net revenues	137,319	20,504	512	11,325	127,911	297,571
Segment results	46,920	6,533	264	5,706	120,926	180,349
Profit before tax						180,349
Income tax expense						(18,852)
Profit after tax						161,497
Other segment items						
Capital expenditure	4,115	32	6	-	5,581	9,734
Depreciation	2,879	48	1	184	4,351	7,463
Impairment charge - loans	15,963	5,616	-	-	34	21,613
Other business segments results for the first quarter of 2006 include amount of € 129.8 million which relates to the sale of ING GROEP N.V. Other business segments results for the first quarter of 2007 include amount of € 159.3 million which relates to the sale of the Bank's participation in Bank of Cyprus. Relevant note to the sale of ING GROEP N.V. and the sale of the participation in Bank of Cyprus is note 6.						
At 31 March 2007						
Segment assets	14,788,878	5,760,915	-	8,258,032	2,730,475	31,538,300
Segment liabilities	15,287,243	629,031	-	13,205,614	738,086	29,859,974
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 Quarter 2007	1st Quarter 2006
Gains less losses on AFS - shares and mutual funds	159,498	130,480
Gains less losses on AFS - bonds	(2)	-
Impairment of shares and mutual funds (available for sale portfolio)	(553)	-
	158,943	130,480

During the first quarter 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 one 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 quarter 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 Quarter 2007	1st Quarter 2006
Current Tax	(9,172)	(8,635)
Deferred Tax	(5,834)	(10,217)
	(15,006)	(18,852)

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.

	1st Quarter 2007	1st Quarter 2006
Basic earnings per share		
Profit after tax	217,991	161,497
Weighted average number of shares in issue	264,322,663	266,843,039
Basic earnings per share (in euros)	0.82	0.61
Diluted earnings per share		
Profit after tax	217,991	161,497
Weighted average number of shares in issue	264,322,663	266,843,039
Adjustment for share options	2,084,596	1,108,894
Weighted average number of shares in issue for the diluted earnings per share calculation	266,407,259	267,951,933
Diluted earnings per share (in euros)	0.82	0.60

The weighted average number of shares for the calculation of the basic and diluted EPS, for the period 1/1 - 31/3/2006, 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

	31 March 2007	31 December 2006
Loans to individuals		
Mortgages	4,474,440	4,214,628
Consumer/ personal and other loans	1,986,903	1,907,758
Credit cards	440,672	405,831
	6,902,015	6,528,217
Loans to corporate entities	13,646,676	12,513,409
Total loans and advances to customers	20,548,691	19,041,626
Less: Allowance for losses (impairment) on loans and advances to customers	(278,513)	(312,890)
Total loans and advances to customers (after allowance for losses)	20,270,178	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	955	4,306	2,089	7,350
Loans written-off	(95)	(2,499)	(872)	(3,466)
Balance at end of period 31/3/2006	16,067	69,908	34,462	120,437
Balance at 1 April 2006	16,067	69,908	34,462	120,437
Charge for the period	1,449	6,768	3,168	11,385
Loans written-off	(8,925)	(1,470)	(24,814)	(35,209)
Balance at end of year 31/12/2006	8,591	75,206	12,816	96,613
Balance at 1 January 2007	8,591	75,206	12,816	96,613
Charge for the period	1,230	4,112	1,788	7,130
Loans written-off	-	(20,706)	(407)	(21,113)
Balance at end of period 31/3/2007	9,821	58,612	14,197	82,630

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	13,739
Loans written-off	(17,571)
Foreign exchange differences	2
Balance at end of period 31/3/2006	240,089
Balance at 1 April 2006	240,089
Charge for the period	27,157
Loans written-off	(50,445)
Foreign exchange differences	(524)
Balance at end of year 31/12/2006	216,277
Balance at 1 January 2007	216,277
Charge for the period	12,938
Loans written-off	(32,702)
Foreign exchange differences	(630)
Balance at end of period 31/3/2007	195,883

The charge for the first quarter of 2006 (€ 21,613 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

	31 March 2007	31 December 2006
Available for sale securities - fair values		
Bonds and other fixed income securities		
Greek Government bonds	354,248	355,826
Corporate entities bonds	144,614	121,976
Bank bonds	56,084	37,295
	554,946	515,097
Shares and other variable income securities		
Listed shares	11,525	472,457
Unlisted shares	124,751	124,159
	136,276	596,616
Total available for sale securities	691,222	1,111,713

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

Balance at 1 January (1/1/2007 and 1/1/2006 respectively)	1,111,713	415,790
Additions	54,457	863,649
Disposals	(499,225)	(364,626)
Transfers from subsidiaries	-	4,915
Changes in fair value (note 16)	26,038	197,325
Impairment charge	(553)	-
Foreign exchange differences	(1,208)	(5,340)
Balance at end of period (31/3/2007 and 31/12/2006 respectively)	691,222	1,111,713

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

11 Due to customers

	31 March 2007	31 December 2006
Corporate customers		
Sight deposits	2,243,019	2,050,788
Term deposits	3,923,272	2,951,476
Other deposits	66,634	35,525
Retail		
Savings account	3,322,818	3,440,952
Sight deposits	1,274,904	1,209,874
Term deposits	5,263,226	4,679,263
Other deposits	17,783	16,702
Repurchase agreements		
Corporate	130,154	99,387
Retail	5,615	6,112
Cheques payable and remittances	98,627	115,940
	16,346,052	14,606,019

12 Debt securities in issue

	Currency	Average interest rate (%)		31 March 2007	31 December 2006
		1st Quarter 2007	2006		
ETBA bonds	EUR	3.45%	2.87%	778,161	791,606
Euro Commercial Paper	EUR	3.76%	3.00%	2,131,819	1,558,883
	USD	5.40%	5.13%	232,138	227,783
	GBP	5.35%	4.75%	87,932	89,061
	CHF	2.30%	-	12,237	-
	JPY	-	0.39%	-	10,193
				2,464,126	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	268,639	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	17,787	17,982
€ 2.45 m. floating rate notes due 2007			Variable	2,450	2,450

Piraeus Bank - 31 March 2007
Amounts in thousand euros (Unless otherwise stated)

	Interest rate (%)	31 March 2007	31 December 2006
Euro Medium Term Note			
€ 500 m. floating rate notes due 2010	Euribor + 0.30	496,374	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	8,866	8,928
USD 20 m. floating rate notes due 2009	Libor + 0.20	8,705	8,334
USD 15 m. floating rate notes due 2008	Libor + 0.05	10,270	10,092
€ 500 m. floating rate notes due 2009	Euribor + 0.20	496,697	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	16,442	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	490,850	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	11,891	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	727,673	-
€ 53 m. floating rate notes due 2008	Euribor + 0.08	53,000	-
Accrued interest and other expenses		8,964	7,402
		2,786,270	1,967,905
Securitisation of mortgage loans			
€ 750 m. floating rate notes due 2040	Euribor + 0.18	532,264	575,934
Total debt securities in issue		6,560,821	5,221,365

The Euro Commercial Paper (ECP) short term securities in issue amounted to € 2 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 2006, included local investors through private placements. Issues under Euro Commercial Paper and Euro Medium Term Note programs are undertaken through the subsidiary Piraeus Group Finance PLC and they are included in Debt securities in issue instead of Due to customers for presentation purposes.

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

	Interest rate (%)	31 March 2007	31 December 2006
Hybrid Capital (TIER I)			
€ 200 m. floating rate notes	Euribor + 1.25	197,872	199,958
Accrued interest and other expenses		1,175	1,205
		199,047	201,163
Subordinated debt (TIER II)			
€ 400 m. floating rate notes due 2014	Euribor + 0.60	395,461	398,149
€ 400 m. floating rate notes due 2016	Euribor + 0.55	395,763	399,080
Accrued interest and other expenses		2,517	2,492
		793,741	799,721
Total hybrid capital and other borrowed funds		992,788	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 31/03/2007, 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 31/3/2007 the Bank had the following capital commitments:

	31 March 2007	31 December 2006
Letters of guarantee	1,961,676	1,839,005
Letters of credit	126,590	116,457
Commitments to extent credit	8,427,998	8,311,270
	<u>10,516,264</u>	<u>10,266,732</u>

C) Assets pledged

	31 March 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:

	31 March 2007	31 December 2006
Up to 1 year	41,274	38,595
From 1 to 5 years	177,377	165,829
More than 5 years	369,658	344,394
	<u>588,309</u>	<u>548,818</u>

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	-	-	(94,430)	(94,430)
Sales of treasury shares	-	-	20,556	20,556
Balance at 31st March 2007	1,288,830	88,146	(171,174)	1,205,802

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

	Number of shares		
	Issued shares	Treasury shares	Net number of 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		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1st January 2007	270,195,031	(4,758,077)	265,436,954
Purchases of treasury shares	-	(3,765,448)	(3,765,448)
Sales of treasury shares	-	1,000,000	1,000,000
Balance at 31st March 2007	270,195,031	(7,523,525)	262,671,506

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

	31 March 2007	31 December 2006
Legal reserve	30,103	30,103
Available for sale reserve	12,472	111,029
Other reserves	5,277	3,133
Retained earnings	424,672	204,154
Total other reserves and retained earnings	472,524	348,419

Movements in reserves for the period were as follows:

	31 March 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

	31 March 2007	31 December 2006
Available for sale reserve		
Opening Balance	111,029	62,273
Gains/ (losses) from the valuation of AFS bonds (note 10)	525	(438)
Gains/ (losses) from the valuation of AFS shares (note 10)	25,513	197,763
Deferred income tax	33,027	(15,097)
Recycling of the accumulated fv adj for AFS securities	(159,498)	(133,971)
Foreign exchange differences and other adjustments	1,876	499
Closing balance	12,472	111,029

	31 March 2007	31 December 2006
Retained earnings		
Opening balance	204,154	45,128
Mergers - canceling of treasury shares	-	211
Profit after tax for the period/ year	217,991	340,084
Transfer to legal reserve	-	(17,004)
Dividend for prior year	-	(107,435)
Interim dividend for year 2006	-	(85,948)
Profit/ (losses) from sales of treasury shares	2,973	29,118
Other movements	(446)	-
Closing balance	424,672	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.

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%.

	Board of Directors members and key management personnel	
	31 March 2007	31 December 2006
Loans	82,601	82,536
Deposits	53,782	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 31/3/2007 are € 4.3 million (2006: € 9.5 million). Letters of guarantees to subsidiaries as at 31/3/2007 are € 121.2 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 - 31/3/2007 is € 0.9 million and € 0.2 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.

Piraeus Bank - 31 March 2007
Amounts in thousand euros (Unless otherwise stated)

Director's remuneration

	31 March 2007	31 December 2006
Salaries and other remuneration	2,372	11,310
	2,372	11,310

The total cost for the share options granted to Board of Directors members and key management personnel is € 0.8 million (2006: € 3.3 million). The total amount of provisions for Board of Directors members and key management personnel is € 31.9 million as at 31/3/2007 (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:

	31 March 2007	31 December 2006
I. Subsidiaries		
Assets		
Cash and Balances with Central Bank	1,527	1,728
Loans and advances to credit institutions	815,344	489,982
Loans and advances to customers	1,743,936	1,758,666
Other assets	44,091	41,187
Total	2,604,898	2,291,563

	31 March 2007	31 December 2006
Liabilities		
Due to banks	210,814	144,713
Due to customers	196,476	195,651
Debt securities in issue	5,781,061	4,432,996
Other borrowed funds	997,552	1,002,412
Other liabilities	24,357	23,271
Total	7,210,260	5,799,043

	1st Quarter 2007	1st Quarter 2006
Revenues		
Interest and similar income	28,310	19,753
Fee and commission income	7,976	3,712
Other operating income	604	662
Total	36,890	24,127

	1st Quarter 2007	1st Quarter 2006
Expenses		
Interest expense and similar charges	59,670	34,373
Fee and commission expense	4,740	3,831
Administrative expenses	8,201	9,795
Total	72,611	47,999

II. Associates

	31 March 2007	31 December 2006
Deposits	21,818	21,624
Loans	450	4,252
	22,268	25,876
	1st Quarter 2007	1st Quarter 2006
Interest/ expense	(15)	(41)
Interest/ income	5	128

18 Post Balance Sheet events

Piraeus Bank Annual General Meeting of Shareholders, which was held on 03/04/2007, approved among other: a) the dividend payment of € 0.64 per share, including the interim dividend of € 0.32 per share and b) the purchase of treasury shares via Athens Stock Exchange in order to support their price, according to the provisions of article 16, para. 5 to 14 of Law 2190/1920, up to 27,019,503 shares which constitutes 10% of the total number of shares of the Bank, with purchase values in the range of € 5 (minimum) and € 40 (maximum), not later than 03/04/2008. Relevant disclosures are 15 and 16.

On April 25th, 2007 Moody's Investors Service proceeded with the upgrade of the long-term foreign currency deposit rating of Piraeus Bank SA by 3 notches to A1 from Baa1. The rating agency upgraded the Bank's credit rating, taking into account its increased financial strength and its current position in the banking market. At the same time, Moody's upgraded the short-term foreign currency deposit rating and financial strength rating to Prime-1 (from Prime-2) and C (from C-) respectively. According to Moody's, which proceeded with the new rating methodologies Joint Default Analysis and BFSR, "The largest rating upgrade was for Piraeus Bank SA, whose long-term deposit and senior debt ratings increased by three notches to A1 from Baa1, reflecting a one notch upgrade of the Bank's BFSR to C, as well as the very high probability of systemic support given the Bank's sizable domestic market share". This significant improvement in Piraeus Bank's ratings will lead to lower funding cost, as well as broadening of its debt investor base.

On 2/5/2007 Piraeus Bank announced that it entered into an agreement with Avis Group for the purchase of the 100% of the shares of "Olympic Commercial and Tourist Enterprises SA" under the distinctive name "Avis Greece", which operates in the car rental sector (short & long term rentals), for a price of €25.5 million. The agreement is subject to the approval of the Competition Committee.

On 3/5/2007 Piraeus Bank announced the sign of the agreement for the purchase of the remaining 20% as well of the shares of the company under the name "PIRAEUS SECURITIES S.A.", owned by Devletoglou family, for an aggregate consideration of € 11.4 million, so that the company becomes a 100% subsidiary of the Bank. The above agreement is subject to the approval of the competent supervisory authorities.

By resolution of 2nd Iterative Ordinary General Meeting of Shareholders, which was held on 03/05/2007, the Board of Directors is authorised to increase the share capital according to article 13 §1b of Cod. Law 2190/1920. Specifically, the Board of Directors may resolve with 2/3 majority of its members, once or gradually, a share capital increase by up to € 1,288,830,297.87 maximum (equal to the currently paid-up share capital) via the issue of up to 270,195,031 shares of a par value of € 4.77 each, and at sale price to be defined by resolution of the Board of Directors, always granting pre-emptive right to the old shareholders.

Athens, May 7th 2007

CHAIRMAN OF THE BOARD OF DIRECTORS

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS
and MANAGING DIRECTOR

ASSISTANT GENERAL MANAGER

MICHALIS G. SALLAS

MICHALIS I. COLAKIDES

CONSTANTINOS I. LIAPIS