



PIRAEUS BANK S.A.

**Interim Condensed Financial
Statements**

31 March 2006

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 10th, 2006 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.

Index to the Interim Condensed Financial Statements

Note		Page
	Interim Income Statement	2
	Interim Balance Sheet	3
	Interim Statement of Changes in equity	4
	Interim Cash Flow Statement	5
Notes to the Interim Condensed Financial Statements		
1	General information about the Bank	6
2	General accounting policies of the Bank	6
3	Basis of presentation of the Bank's Interim condensed financial statements	6
4	Critical accounting estimates and judgements	6
5	Business Segments	7
6	Gains less losses from investment securities	8
7	Income tax expense	8
8	Earnings per share	8
9	Loans and advances to Credit Institutions	8
10	Derivative Financial Instruments	9
11	Financial assets at Fair Value through Profit and Loss (including trading securities)	9
12	Loans and advances to customers	10
13	Investment securities	10
14	Investment in Subsidiaries and Associates	11
15	Due to Banks	12
16	Due to customers	12
17	Debt securities in issue	12
18	Other borrowed funds	12
19	Deferred income tax	13
20	Post retirement benefit obligations	13
21	Contingent liabilities and commitments	14
22	Share capital	14
23	Other reserves and retained earnings	15
24	Related parties transactions	16
25	Post Balance Sheet events	17

INTERIM INCOME STATEMENT

	Note	Period from 1 January to	
		31 March 2006	31 March 2005
Interest and similar income		298,967	194,019
Other interest expense and similar charges		(167,168)	(88,820)
NET INTEREST INCOME		131,799	105,199
Fee and commission income		30,895	24,728
Fee and commission expense		(6,515)	(5,328)
NET FEE AND COMMISSION INCOME		24,380	19,400
Dividend income		1,809	11,707
Net trading income		5,467	6,862
Gains/ (Losses) from investment securities	6	130,480	2
Other operating income		3,636	4,093
TOTAL NET INCOME		297,571	147,263
Staff costs		(50,994)	(47,214)
Administrative expenses		(37,106)	(31,392)
Depreciation and amortisation		(7,463)	(6,806)
Gains/ (Losses) from sale of property, plant and equipment		(46)	32
Impairment losses on loans and advances		(21,613)	(19,214)
TOTAL OPERATING EXPENSES		(117,222)	(104,594)
PROFIT BEFORE INCOME TAX		180,349	42,669
Current tax	7	(8,635)	(5,586)
Deferred tax	7	(10,217)	(3,737)
PROFIT FOR THE YEAR		161,497	33,346

Earnings per share (in euros):

- Basic	8	0.76	0.17
- Diluted	8	0.75	0.17

INTERIM BALANCE SHEET

	Note	31 March 2006	31 December 2005
ASSETS			
Cash and balances with central banks		895,975	1,218,081
Loans and advances to Credit Institutions	9	4,116,445	2,138,356
Derivative financial instruments - assets	10	27,989	18,979
Financial instruments at fair value through Profit and Loss	11	482,441	1,132,300
Loans and advances to customers (net of provisions)	12	15,299,554	14,587,170
Investment securities			
-Available for sale securities	13	272,345	415,790
Investments in subsidiaries		953,796	959,450
Investments in associated undertakings		42,471	46,426
Intangible assets		9,034	10,174
Property, plant and equipment		162,716	163,553
Investment property		29,706	29,362
Deferred tax assets	19	119,357	115,871
Inventory-property		27,905	28,403
Other assets		278,822	290,186
TOTAL ASSETS		22,718,556	21,154,101
LIABILITIES			
Due to Banks	15	3,444,343	3,422,407
Derivative financial instruments - liabilities	10	34,841	35,515
Due to customers	16	12,330,402	11,451,453
Debt securities in issue	17	4,247,957	3,725,139
Other borrowed funds	18	599,951	599,857
Retirement benefit obligations		154,935	151,446
Other provisions for risks		24,018	24,087
Current income tax liabilities		28,688	20,168
Deferred tax liabilities	19	25,937	33,280
Other liabilities		282,588	231,751
TOTAL LIABILITIES		21,173,660	19,695,103
EQUITY			
Ordinary shares	22	1,024,932	1,024,932
Share premium	22	330,643	330,643
Less: Treasury shares	22	(37,660)	(17,590)
Other reserves	23	20,424	75,885
Retained earnings	23	206,557	45,128
TOTAL EQUITY		1,544,896	1,458,998
TOTAL EQUITY AND LIABILITIES		22,718,556	21,154,101

INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital	Share Premium	Treasury shares	Other reserves	Valuation of securities at 1st time adoption of IFRS (art. 38, Law 2238/ 1994)	Other retained earnings	TOTAL
Opening balance as at 1 January 2005		831,067	365,733	(16,050)	54,800	(230,148)	(32,523)	972,879
Purchases of treasury shares	22			(23,681)				(23,681)
Sales of treasury shares	22			14,640			3,485	18,125
Available for sale reserve	23				3,260			3,260
Profit after tax for the first quarter of 2005							33,346	33,346
Balance as at 31 March 2005		831,067	365,733	(25,091)	58,060	(230,148)	4,308	1,003,929

	Note	Share Capital	Share Premium	Treasury shares	Other reserves	Valuation of securities at 1st time adoption of IFRS (art. 38, Law 2238/ 1994)	Other retained earnings	TOTAL
Opening balance as at 1 April 2005		831,067	365,733	(25,091)	58,060	(230,148)	4,308	1,003,929
Mergers - cancellation of treasury shares	22	193,865	(35,090)		280		76,279	235,334
Purchases of treasury shares	22			(73,481)				(73,481)
Sales of treasury shares	22			80,982			7,953	88,935
Available for sale reserve	23				55,933			55,933
Prior year dividends							(80,103)	(80,103)
Reserve for stock option plan					200			200
Utilization of the reserve formed according to article 38, Law 2238/ 1994						118,933	(118,933)	0
Utilization of legal reserve against the 1st time adoption adjustments					(51,667)		51,667	0
Profit after tax for the period 1/4/2005 - 31/12/2005					13,080		215,171	228,251
Balance as at 31 December 2005		1,024,932	330,643	(17,590)	75,886	(111,215)	156,342	1,458,998

Opening balance as at 1 January 2006		1,024,932	330,643	(17,590)	75,886	(111,215)	156,342	1,458,998
Purchases of treasury shares	22			(20,070)				(20,070)
Available for sale reserve	23				(56,715)			(56,715)
Reserve for stock option plan					1,320			1,320
Profit after tax for the 1st 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	(111,215)	317,772	1,544,896

INTERIM CASH FLOW STATEMENT

	Note	<u>From January 1st to</u> 31 March 2006	31 March 2005
Cash flows from operating activities			
Profit before Tax		180,349	42,669
Adjustments to profit before tax:			
Add: impairment for loans	12	21,613	19,214
Add: depreciation		7,463	6,806
Add: retirement benefits		5,842	10,314
Gains (deduct)/ Losses (add) from valuation of trading securities		(2,702)	(5,484)
Gains (deduct)/ Losses (add) from investing activities		(132,243)	(11,739)
Interest on debt securities in issue and other borrowed funds		35,751	16,898
		<hr/>	<hr/>
<i>Cash flows from operating profits before changes in operating assets and liabilities</i>		116,073	78,679
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		(1)	(10,059)
Net (increase)/ decrease in trading securities		646,805	309,183
Net (increase)/ decrease in loans and advances to Credit Institutions		(13,500)	8,533
Net (increase)/ decrease in loans and advances to customers		(1,059,739)	(931,867)
Net (increase)/ decrease in other assets		8,501	(3,644)
Net increase/ (decrease) in due to Banks		98,442	234,203
Net increase/ (decrease) in amounts due to customers		997,656	198,885
Net increase/ (decrease) in other liabilities		65,802	(86,564)
		<hr/>	<hr/>
Net cash flow from operating activities		860,040	(202,651)
Cash flows from investing activities			
Purchases of property, plant and equipment		(8,751)	(4,905)
Sales of property, plant and equipment		559	341
Purchases of intangible assets		(983)	(423)
Purchases of available-for-sale securities	13	(5,634)	(10,271)
Sale of available-for-sale securities	13	205,206	95,470
Acquisition of subsidiaries, net of cash acquired		(216)	(18,229)
Disposal of associates		4,628	0
		<hr/>	<hr/>
Net cash flow from investing activities		194,809	61,983
Cash flows from financing activities			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		487,160	578,620
Purchases of treasury shares	22	(20,070)	(23,682)
Sales of treasury shares	22	0	18,127
		<hr/>	<hr/>
Net cash flow from financing activities		467,090	573,065
Effect of exchange rate changes on cash and cash equivalents		2,792	947
		<hr/>	<hr/>
Net increase/ (decrease) in cash and cash equivalents		1,524,731	433,344
Cash and cash equivalents at beginning of period		3,189,817	1,267,064
Adjustment of opening balances of branch network in Bulgaria		166,156	0
		<hr/>	<hr/>
Cash and cash equivalents at beginning of period after adjustments		3,355,972	1,267,064
		<hr/>	<hr/>
Cash and cash equivalents at end of period		4,880,703	1,700,408

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 and operates also in London (U.K.) and employs 4,415 people. On 24/3/2006, Piraeus Bank Bulgaria A.D. absorbed Piraeus Bank branch network in Bulgaria.

Apart from the A.S.E. General Index, the Piraeus Bank share is included in a series of other indices, such as FTSE/ATHEX-20, Standard MSCI Greece, MSCI EAFE, DJ Euro Stoxx, DJ Euro Stoxx Banks, and FTSE4/ Good 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 2005 have been followed.

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 2005, which are the first annual financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS).

Piraeus Bank prepares, except for the attached interim condensed stand alone financial statements, consolidated interim 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 derivatives

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. All models use observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Assumptions that affect the reported fair values of financial instruments are examined regularly.

3. Impairment of the available for-sale investments

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

4. Income taxes

The bank is subject to income taxes in the countries in which operates. This requires estimates in determining the provision for income taxes and therefore the final income tax determination is uncertain during the fiscal year. Where the final income tax expense is different from the amounts that were initially recorded, differences impact the income tax and deferred tax provisions in the period in which the tax computation is finalised.

5 Business segments

The Bank has identified the following business segments:

- Retail Banking
- Corporate Banking
- Investment Banking
- Asset Management & Treasury
- Other business segments including other centralised services.

An analysis of income and other financial figures is presented below:

1st Quarter 2006	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
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	<u>180,349</u>
Profit before tax						180,349
Income tax expense						<u>(18,852)</u>
Profit after tax						<u>161,497</u>
Other segment items						
Depreciation	2,879	48	1	184	4,351	7,463
Impairment charge - loans	15,963	5,616	-	-	34	<u>21,613</u>
1st Quarter 2005						
Revenues	140,726	65,926	11,639	17,308	5,810	241,411
Net Revenues	108,255	22,909	4,299	8,711	3,089	147,263
Segment Results	31,745	11,695	525	4,497	(4,283)	44,178
Unallocated costs						<u>(1,510)</u>
Profit before tax						42,669
Income tax expense						<u>(9,323)</u>
Profit after tax						<u>33,346</u>
Other segment items						
Depreciation	2,443	40	6	126	4,191	6,806
Impairment charge - loans	11,597	4,576	3,014	1	26	<u>19,214</u>
At 31 March 2006						
Segment assets	10,897,177	4,622,666	-	5,005,326	2,193,387	22,718,556
Segment liabilities	12,173,270	542,975	-	7,780,064	677,351	21,173,660
At 31 December 2005						
Segment assets	10,211,962	4,625,644	-	3,847,168	2,469,327	21,154,101
Segment liabilities	11,287,737	640,951	-	6,497,173	1,269,242	19,695,103

6 Gains less losses from investment securities

	1st Quarter 2006	1st Quarter 2005
Gains less losses on AFS - shares and mutual funds	130,480	1
Gains less losses on AFS - bonds	-	1
	130,480	2

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

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

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

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

7 Income tax expense

	1st Quarter 2006	1st Quarter 2005
Current Tax	(8,635)	(5,586)
Deferred Tax (Note 19)	(10,217)	(3,738)
	(18,852)	(9,323)

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

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

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

8 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares in issue during the period, excluding the average number of ordinary shares purchased by Piraeus Bank and held as treasury shares. Also, the diluted earnings per share have been calculated taking into account the share option plan, which was decided by the second repeated General Meeting on 16/05/2005. The total share options were granted on 29/8/2005 and can be exercised by the share option holders beginning December 2006 (note 22).

	1st Quarter 2006	1st Quarter 2005
Basic earnings per share		
Profit after tax	161,497	33,346
Weighted average number of shares in issue	213,474,431	198,892,054
Basic earnings per share (in euros)	0.76	0.17
Diluted earnings per share		
Profit after tax	161,497	33,346
Weighted average number of shares in issue	213,474,431	198,892,054
Adjustment for share options	473,091	-
Weighted average number of shares in issue for the diluted earnings per share calculation	213,947,522	198,892,054
Diluted earnings per share (in euros)	0.75	0.17

9 Loans and advances to Credit Institutions

	31 March 2006	31 December 2005
Placements with Banks	3,886,501	1,994,612
Reverse repurchase agreements (reverse repos)	229,944	143,744
Total loans and advances to credit institutions	4,116,445	2,138,356

10 Derivative Financial Instruments

At 31 March 2006

	Contract/Notional Amount	Fair values	
		Assets	Liabilities
Derivatives held for trading			
Futures	16,200	-	-
Asset Swaps	100,915	104	11,555
Interest Rate Swaps	4,480,312	21,487	24,423
FX Forwards	75,757	-	(128)
Currency Swaps	2,653,388	(1,206)	-
Options	300,000	219	166
Other derivative instruments	349,112	1,349	(1,226)
		21,953	34,790
Embedded equity derivatives			
Customer deposits linked to options	288,743	5,357	(806)
Derivatives held for fair value hedging			
Interest Rate Swaps	75,464	679	857
Total derivative assets / liabilities		27,989	34,841

At 31 December 2005

	Contract/Notional Amount	Fair values	
		Assets	Liabilities
Derivatives held for trading			
Futures	7,600	-	-
Asset Swaps	104,701	-	15,274
Interest Rate Swaps	4,579,519	12,136	15,562
FX Forwards	68,589	-	23
Currency Swaps	2,683,996	(640)	-
Other derivative instruments	154,175	1,352	(1,229)
		12,848	29,630
Embedded equity derivatives			
Customer deposits linked to options	286,356	5,640	3,883
Derivatives held for fair value hedging			
Interest Rate Swaps	69,246	491	2,002
Total derivative assets / liabilities		18,979	35,515

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

	31 March	2006	31 December 2005
Trading Securities			
Greek Government Bonds		243,573	941,824
Greek Government Treasury Bills		43,803	40,103
Foreign Government Bonds		-	1,097
Corporate Entities Bonds		117,724	35,555
		405,100	1,018,579
Athens stock exchange listed shares		17,338	20,742
Total trading securities		422,438	1,039,321
Other financial assets at fair value through profit and loss		60,003	92,979
Total		482,441	1,132,300

12 Loans and advances to customers

	31 March	2006	31 December 2005
Loans to individuals			
Mortgages		3,550,624	3,304,962
Consumer/ Personal Loans		1,479,861	1,403,349
Credit Cards		352,552	336,430
Other		107,866	124,995
		5,490,903	5,169,736
Loans to corporate entities		10,169,177	9,778,902
Total loans and advances to customers		15,660,080	14,948,638
Less: Impairment on loans and advances to customers		(360,526)	(361,468)
Total loans and advances to customers (after allowance for losses)		15,299,554	14,587,170

Movement in impairment for losses on loans and advances to customers

Balance at 1 January (1/1/2006 and 1/1/2005 respectively)	361,468	442,938
Less: opening balance of branch network in Bulgaria	(996)	-
Charge for the year	21,089	19,214
Loans written-off	(21,037)	-
Foreign exchange differences	2	1,301
Balance at end of period (31/3/2006 and 31/3/2005 respectively)	360,526	463,453
Balance at 1/4/2005		463,453
Charge for the year		31,217
Loans written-off		(134,125)
Foreign exchange differences		923
Balance at 31/12/2005		361,468

The charge for the first quarter of 2006 (€ 21,613 th.) includes amount of € 524 th. which relates to the impairment on loans of the Piraeus Bank branch network in Bulgaria for the period from 1/1/2006 until its absorption (24/3/2006) by Piraeus Bank's subsidiary, Piraeus Bank Bulgaria A.D.

13 Investment securities

	31 March	2006	31 December 2005
Available for sale securities			
Bonds and other fixed income securities			
Foreign Government Bonds		600	540
Corporate Entities Bonds		76,047	80,235
Bank Bonds		35,406	36,346
		112,053	117,121
Shares and other variable income securities			
Listed shares		25,856	172,763
Unlisted shares		134,436	125,906
		160,292	298,669
Total available for sale securities		272,345	415,790

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

Balance at 1 January (1/1/2006 and 1/1/2005 respectively)	415,790	317,165
Additions	5,634	100,578
Disposals	(205,206)	(106,328)
Transfers from subsidiaries	4,359	-
Transfers from associates	-	19,152
Changes in fair value (note 23)	52,888	84,180
Exchange differences	(1,120)	1,043
Balance at end of period (31/3/2006 and 31/12/2005 respectively)	272,345	415,790

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

14 Investments in Subsidiaries and Associates

The investments of Piraeus Bank in Subsidiaries and Associates are:

A. Subsidiaries	Activity	% holding	Country
1 MARATHON BANKING CORPORATION	Banking Activities	82.52%	USA
2 TIRANA BANK I.B.C.	Banking Activities	88.72%	Albania
3 PIRAEUS BANK ROMANIA S.A.	Banking Activities	99.99%	Romania
4 PIRAEUS ATLAS BANK A.D.	Banking Activities	88.23%	Serbia & Montenegro
5 PIRAEUS BANK BULGARIA A.D.	Banking Activities	99.79%	Bulgaria
6 PIRAEUS BANK EGYPT S.A.E.	Banking Activities	87.97%	Egypt
7 PIRAEUS ASSET MANAGEMENT EUROPE S.A.	Mutual Funds Management	99.94%	Luxemburg
8 PIRAEUS LEASING S.A.	Finance Leasing	85.60%	Greece
9 PIRAEUS LEASING ROMANIA SRL	Finance Leasing	99.39%	Romania
10 PIRAEUS INSURANCE AND REINSURANCE BROKERAGE S.A.	Insurance Brokerage	100.00%	Greece
11 TIRANA LEASING S.A.	Finance Leasing	100.00%	Albania
12 PIRAEUS SECURITIES S.A.	Stock Exchange Operations	80.00%	Greece
13 ABC PROFESSIONAL SERVICES S.A.	Trade and manufacture electronics and software products	1.82%	Greece
14 PIRAEUS GROUP CAPITAL LTD	Debt Securities Issue	100.00%	United Kingdom
15 PIRAEUS LEASING BULGARIA	Finance Leasing	100.00%	Bulgaria
16 PIRAEUS ENTERPRISERS 4 LTD	Holding company	100.00%	Cyprus
17 PIRAEUS GROUP FINANCE P.L.C.	Debt Securities Issue	100.00%	United Kingdom
18 MULTI COLLECTION S.A.	Assessment and collection of commercial debts	51.00%	Greece
19 PIRAEUS FACTORING S.A.	Factoring	100.00%	Greece
20 PIRAEUS MULTIFIN S.A.	Automotive financing	87.50%	Greece
21 ETBA FINANCE S.A.	Special liquidations	100.00%	Greece
22 E-VISION S.A.	Holding company	100.00%	Greece
23 PIRAEUS BOTIFIN S.A.	Kosmopolis Areas Management	100.00%	Greece
24 PICAR S.A.	City Link Areas Management	100.00%	Greece
25 PIRAEUS REAL ESTATE INVESTMENT PROPERTY S.A.	Real estate investment property	37.80%	Greece
26 BULFINA S.A.	Property Management	100.00%	Bulgaria
27 ATFS	Accounting and tax consulting	100.00%	Greece
28 GENERAL CONSTRUCTION AND DEVELOPMENT CO.SA	Property development / holding company	66.70%	Greece
29 PIRAEUS DIRECT SERVICES S.A.	Call center services	1.00%	Greece
30 KOMOTINI REAL ESTATE DEVELOPMENT S.A.	Property Management	100.00%	Greece
31 DIAGONIOS S.A.	Construction company	100.00%	Greece
32 ND DEVELOPMENT S.A.	Property Management	100.00%	Greece
33 PROPERTY HORIZON S.A.	Holding company	100.00%	Greece
34 ETBA INDUSTRIAL ESTATES S.A.	Development / Management of Industrial Areas	65.00%	Greece
35 PIRAEUS PROPERTY S.A.	Property Management	99.83%	Greece
36 PIRAEUS DEVELOPMENT S.A.	Real estate, development/ tourist services	99.83%	Greece
37 PIRAEUS CONSTRUCTIONS S.A.	Open-end Fund	100.00%	Greece
38 PIRAEUS DEVELOPER S.A.	Property Management	99.83%	Greece
39 EUROINVESTMENT & FINANCE LTD	Banking, Asset Management, real estate operations	81.87%	Cyprus
40 LAKKOS MIKELLI REAL ESTATE LTD	Property Management	40.00%	Cyprus
41 PHILOKTIMATIKI LTD	Land and property development	3.15%	Cyprus
42 ESTIA MORTGAGE FINANCE P.L.C.	Special purpose entity for securitisation of mortgage loans	-	United Kingdom
B. Associates			
1 ING PIRAEUS MUTUAL FUNDS S.A.	Mutual Funds Management	49.00%	Greece
2 ING - PIRAEUS LIFE INSURANCE COMPANY	Life and health insurance	49.90%	Greece
3 VIOTIKI REGIONAL DEVELOPMENT & INVESTMENT COMPANY S.A.	European Union programmes management	37.00%	Greece
4 PARK MANAGEMENT & DEVELOPMENT COMPANY S.A.	Scientific and technology park management	30.45%	Greece
5 ETANAL S.A.	Management of Fish Trading Center	25.00%	Greece
6 STALKO S.A.	Electrical equipment production	25.00%	Greece
7 EVROS DEVELOPMENT COMPANY S.A.	European Union programmes management	30.00%	Greece
8 REBICAT	Property Management	10.00%	Greece
9 ABIES	Property Management	10.00%	Greece
10 EUROTERRA	Property Management	10.00%	Greece
11 SOLVENCY INTERNATIONAL S.A. OF INVESTMENTS AND PARTIC. INTERESTS	Holding company	37.66%	Greece
12 APE COMMERCIAL PROPERTY S.A.	Real estate, development/ tourist services	27.80%	Greece
13 APE FIXED ASSETS S.A.	Real estate, development/ tourist services	27.80%	Greece

15 Due to Banks

	31 March	2006	31 December 2005
Deposits from other Banks		3,167,487	3,263,963
Other Obligations to Banks		97,980	14,700
Repurchase agreement - banks		178,876	143,744
		3,444,343	3,422,407

16 Due to customers

	31 March	2006	31 December 2005
Deposits - Corporate Customers			
Sight deposits		1,808,187	1,884,638
Term deposits		2,850,392	1,877,054
Other deposits		43,804	45,175
Retail Customers			
Savings account		3,205,140	3,236,218
Sight deposits		1,044,089	1,068,116
Term deposits		3,033,766	3,014,798
Other deposits		20,633	15,141
Repurchase agreements			
Corporate		219,982	188,098
Retail		9,927	13,245
Cheques payable and remittances			
		94,482	108,970
		12,330,402	11,451,453

17 Debt securities in issue

	Average interest rate (%)		31 December 2005	
	1st Quarter 2006	2005	31 March	2006
ETBA bonds	2.48%	2.26%	543,448	438,139
Euro Commercial Paper	2.71%	2.40%	1,515,737	1,641,714
Euro Medium Term Note	2.87%	2.56%	1,521,442	949,069
Securitisation of mortgage loans	2.61%	2.32%	667,330	696,217
			4,247,957	3,725,139

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

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

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

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

18 Other borrowed funds

	Average interest rate (%)		31 December 2005	
	1st Quarter 2006	2005	31 March	2006
Hybrid Capital (TIER I)	3.85%	3.39%	201,345	201,260
Subordinated debt (TIER II)	3.20%	2.74%	398,606	398,597
			599,951	599,857

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

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

The accrued interest of other borrowed funds is included in the related borrowed funds.

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

19 Deferred income tax

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

	31 March	2006	31 December 2005
Deferred tax liabilities			
Adjustment for depreciation of property, plant and equipment		1,338	1,313
Derivative financial instruments valuation		6,018	7,486
Impairment of loans		1,983	1,936
Securities valuation		12,497	17,380
Recognition of commission according to effective interest rate calculation		571	581
Valuation of investment property		210	227
Other deferred tax liabilities		3,320	4,357
		25,937	33,280
Less: Deferred tax liability of branch network in Bulgaria			(770)
			32,510
Deferred tax assets			
Pensions and other post retirement benefits		38,693	40,846
Intangible assets derecognition		2,751	3,518
Derivative financial instruments valuation		9,109	9,470
Securities valuation		18,142	7,226
Impairment of securities portfolio		40,929	44,171
Recognition of commission according to effective interest rate calculation		8,873	9,698
Other deferred tax assets		860	942
		119,357	115,871
Less: Deferred tax asset of branch network in Bulgaria			(12)
			115,859
Net deferred tax asset/ (liability)		93,420	83,349

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

	1st Quarter 2006	1st Quarter 2005
Deferred tax (Income Statement)		
Pensions and other post retirement benefits	(2,153)	(401)
Provision for loan impairment	(47)	(1,053)
Recognition of commission according to effective interest rate calculation	(815)	358
Derivative financial instruments valuation	1,107	(2,063)
Adjustment for depreciation of property, plant and equipment	(25)	(204)
Valuation of investment property	17	-
Intangible assets derecognition	(767)	(435)
Impairment of securities portfolio	(3,242)	-
Securities valuation	(5,245)	-
Other deferred tax charges	953	61
	(10,217)	(3,737)

Deferred tax of amount € 20,230 th. that related to the valuation of the available for sale securities for the period ended as at 31/3/2006 (€ 1,207 th. for the first quarter of 2005), was not recorded in P/L for the period but instead it increased the available for sale reserve (note 22) as per the IFRS regulations. Also, the deferred tax (€ 58 th.) of the branch network in Bulgaria for the period 1/1/2006 - 24/3/2006 has been recorded in Piraeus Bank's results for the period, while it has not been recorded in the deferred tax assets/ liabilities for the period ended as at 31/3/2006.

20 Post retirement benefit obligations

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

21 Contingent liabilities and commitments

A) Legal procedures

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

B) Capital commitments

As at 31/3/2006 the Bank had the following capital commitments:

	31 March	2006	31 December 2005
Letters of guarantee		1,804,076	1,680,419
Letters of credit		98,786	96,529
Commitments to extent credit		6,783,664	5,982,576
		8,686,526	7,759,524

C) Assets pledged

	31 March	2006	31 December 2005
Trading securities		84,016	84,016

D) Operating lease commitments

Commitments from operating leasing contracts are analysed as follows:

	31 March	2006	31 December 2005
Up to 1 year		37,267	37,375
From 1 to 5 years		161,311	162,352
More than 5 years		333,270	335,490
		531,848	535,217

22 Share capital

	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2005	831,067	365,733	(16,050)	1,180,750
Mergers - canceling of treasury shares	193,865	(35,090)	-	158,775
Purchases of treasury shares	-	-	(97,162)	(97,162)
Sales of treasury shares	-	-	95,622	95,622
At 31 December 2005	1,024,932	330,643	(17,590)	1,337,985
At 1 January 2006	1,024,932	330,643	(17,590)	1,337,985
Purchases of treasury shares	-	-	(20,070)	(20,070)
At 31 March 2006	1,024,932	330,643	(37,660)	1,317,915

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 2005	200,257,006	(1,384,425)
Issue of share capital	16,653,425	-	16,653,425
Cancellation of treasury shares	(2,039,997)	-	(2,039,997)
Purchases of treasury shares	-	(6,197,161)	(6,197,161)
Sales of treasury shares	-	6,560,125	6,560,125
Balance at 31st December 2005	214,870,434	(1,021,461)	213,848,973
	Number of shares		
	Issued shares	Treasury shares	Net number of shares
	Opening balance at 1st January 2006	214,870,434	(1,021,461)
Purchases of treasury shares	-	(889,976)	(889,976)
Balance at 31st March 2006	214,870,434	(1,911,437)	212,958,997

All issued shares are fully paid. During the General Meeting of shareholders of the Bank at 12.4.2006 it was decided, according to the article 16 par.5-14 of codified Law 2190/1920, the purchase of own shares in order to support the Bank's share price at the stock exchange, up to 10% of the total number of its shares, 21,487,043. The minimum and maximum purchase value for the shares is between € 5 and € 50, while the purchase will take place within a year from 12/4/2006. If these shares are not sold within the period of three years or not distributed to staff, they must be cancelled according to the special procedure provided by Law 2190 and the decisions made by the Athens Stock Exchange.

Shares option plan

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

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

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

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

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

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

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

23 Other reserves and retained earnings

	31 March	2006	31 December 2005
Legal reserve		13,080	13,080
Available for sale reserve		5,558	62,273
Other reserves		1,786	532
Retained earnings		206,557	45,128
Total other reserves and retained earnings		<u>226,981</u>	<u>121,013</u>

Movements in reserves for the period were as follows:

	31 March	2006	31 December 2005
Legal reserve			
Opening balance		13,080	51,653
Transfer from retained earnings		-	13,080
Absorption of companies and other movements		-	14
Utilization of legal reserve to cover the IFRS 1st time adoption adjustments		-	(51,667)
Closing balance		<u>13,080</u>	<u>13,080</u>

	31 March	2006	31 December 2005
Available for sale reserve			
Opening Balance		62,273	3,080
Gains/ losses from the valuation of AFS bonds (note 13)		(200)	2,757
Gains/ losses from the valuation of AFS shares (note 13)		53,088	81,423
Deferred income taxes (note 19)		20,230	(20,538)
Recycling of the accumulated fv adj for AFS securities		(129,760)	(3,819)
Foreign exchange differences and other adjustments		(73)	(630)
Closing balance		<u>5,558</u>	<u>62,273</u>

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

	31 March	2006	31 December 2005
Retained earnings			
Opening book amount		45,128	(262,671)
Mergers - canceling of treasury shares		-	76,279
Profit after tax for the period/ year		161,497	261,597
Transfer to legal reserve		-	(13,080)
Dividend for prior year		-	(80,103)
Gains / (losses) from sales of treasury shares		-	11,438
Utilization of legal reserve to cover the 1st time adoption adjustments		-	51,667
Other movements		(68)	-
Closing balance		206,557	45,128

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

24 Related 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 2006	31 December 2005
Loans	125,285	83,785
Deposits	25,003	34,326

Letters of guarantees and letters of credits to the members of the board of directors and to the key management personnel as at 31/3/2006 are € 9.9 million. Letters of guarantees to subsidiaries as at 31/3/2006 are € 187 million.

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

Director's remuneration

	31 March	2006	31 December 2005
Salaries and other remuneration		1,646	8,140
Post employment benefits		-	1,596
		1,646	9,736

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

	31 March	2006	31 December 2005
I. Subsidiaries			
Assets			
Cash and Balances with Central Bank		5,937	3,036
Loans and advances to Credit Institutions		353,303	96,230
Trading securities		100,888	13,396
Loans and advances to customers		1,490,292	1,540,604
Other assets		53,584	21,090
Total		2,004,004	1,674,356
Liabilities			
Due to Banks		42,287	37,898
Due to customers		205,335	187,250
Debt securities in issue		3,704,588	3,287,064
Other borrowed funds		599,951	599,857
Other liabilities		20,370	28,830
Total		4,572,531	4,140,899
Revenues			
		1st Quarter 2006	1st Quarter 2005
Interest and similar income		19,753	12,228
Fee and commission income		3,712	1,600
Net trading income		-	(52)
Other operating income		662	1,110
Total		24,127	14,886
Expenses			
		1st Quarter 2006	1st Quarter 2005
Interest expense and similar charges		34,373	14,858
Fee and commission expense		3,831	2,768
General administrative expenses		9,795	6,521
Total		47,999	24,147

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

II. Associates

	31 March	2006	31 December	2005
Deposits		8,184		10,964
Loans		3,366		22,214
			1st Quarter 2006	1st Quarter 2005
Interest on deposits / expense			41	35
Interest on loans/ income			128	173

25 Post Balance Sheet events

There are no significant post balance sheet events.