

FULL YEAR 2007 RESULTS
50% INCREASE IN NET PROFIT*

"The acceleration of Piraeus Group volumes in 2007 exceeded past performances with an increase in total assets by 50% reaching €46 bn. Similar growth rate by 50% was recorded in profitability that amounted to €653 mn, before the additional tax burden incurred in January 2008 to banking capital gains retroactively as of 2007.

The international market turmoil found Piraeus Bank Group reinforced both in capital adequacy and liquidity, with improved 'loans to deposits' ratio at 127% at year-end compared to 130% a quarter earlier. The increase in deposits the previous year reached 33%, while the increase in absolute figure was more than doubled during the last quarter 2007 compared to the respective increase recorded in the 4th quarter 2006, reassuring the Group's effectiveness and resilience against changing market conditions.

The upward course of Piraeus Bank Group is also continuing in 2008. The fundamentals for Greece, a market that contributes 80% of the Group's total operations and 87% of profitability respectively, remain solid, while international operations are also expected to continue growing at a substantial pace. Piraeus Bank Group is now present in 9 countries abroad including its expansion in Cyprus where operations recently commenced, further improving the diversification of its activities. These developments reassure the soundness of the Group's Business Plan targets through to 2010, which we recently communicated."

Michalis Sallas, Chairman of the Board of Directors

KEY PERFORMANCE POINTS OF THE FULL YEAR 2007

- Increase of Group's profit after tax and minorities by 50% up to €652.6 mn against €434.6 mn in the year 2006
- Taking into account the additional tax burden that was incurred in January 2008 retroactively as of 2007, the Group's net profit amounted to €622.1 mn up by 43%. Hence earnings per share increased to € 2.14 versus €1.57 in 2006, up by 36%
- Improvement of return on equity ratio (RoE) to 29.5% from 29.0% in 2006 and return on assets ratio (RoA) to 1.68% as in 2006
- Retention of net interest margin (NIM) on average interest earning assets at a level above 3%
- Increase of net interest income by 28.2% and net commission income by 25.4% y-o-y
- Improvement of cost to income ratio to 45.1% compared to 48.4% in 2006
- Loan portfolio grew by 48% and deposits grew by 33% y-o-y, recording a significant increase during the last quarter of 2007. It's worth noting that the incremental change in deposits' volume during the 4th quarter of 2007 (€2.5 bn) matched the respective loan increase in absolute figures, illustrating the dynamism in fund raising
- Expansion of international activities' volumes: loan portfolio up by 112% and deposits by 45% y-o-y

(*) excluding Piraeus Bank's additional tax burden of €30.5 mn incurred to capital gains in January 2008 retroactively as of 2007

- Enhancement of branch network to 744 units at the end of 2007 compared to 536 units a year ago, out of which 320 branches are located in Greece and 424 branches abroad. The Group's human resources reached 12,357, growing by 3,104 new employees, 826 in Greece and 2,278 abroad

During 2007, all annual **targets** of the Group's Business Plan for the period 2007-2010 were achieved.

PIRAEUS GROUP BALANCE SHEET

Group Balance Sheet Items (€ mn)	Dec. '07	Dec. '06	Δ %
Assets	46,427	30,931	50%
Gross loans	30,705	20,804	48%
Deposits and Debt Securities	23,914	17,694	33%
Total Equity	3,310	1,832	81%

At the end of December 2007, the Group's **total assets** reached €46,427 mn against €30,931 mn in December 2006, increased by 50%. Loan portfolio posted a significant annual acceleration (+48% y-o-y), reaching a balance of

€30,705 mn at the end of 2007. It is noted that the Group's loans in Greece grew by 37% y-o-y compared to the respective rate 20%^(est) of the market.

The increase rate of **mortgage lending** was set at 29% y-o-y, with balances up to €5,743 mn in December 2007 against €4,442 mn a year ago. **Consumer loan** portfolio grew by 49% y-o-y, reaching €4,336 mn at the end of December 2007 versus €2,904 mn a year ago. The loans to individuals' contribution represented a 33% of the total loan portfolio at the end of December 2007.

Group Loans (€ mn)	Dec.'07	Dec.'06	Δ %
Loans to Corporates	20,626	13,458	53%
> <i>SMEs</i>	13,665	8,803	55%
> <i>Large Corporates</i>	6,961	4,655	50%
Loans to individuals	10,079	7,347	37%
> <i>Mortgage</i>	5,743	4,442	29%
> <i>Consumer</i>	4,336	2,904	49%
Total loan portfolio	30,705	20,804	48%

Loans to small and medium-sized enterprises in Greece and abroad, where the Group applies a differentiated approach, is well positioned and possesses significant expertise, grew impressively by 55%, amounting to €13,665 mn at the end of December 2007, compared to €8,803 mn a year ago. This specific segment represents

the main loan category accounting for 45% of the Group's total loan portfolio. **Loans to large corporates, including shipping** represented 23% of the total loan portfolio and amounted to €6,961 mn at the end of 2007 versus €4,655 mn a year ago, up by 50%, reinforcing the Group's presence in this segment also.

With regards to **asset quality**, the Group's non-performing loans (NPLs) ratio was recorded at 2.05% in the end of 2007 compared to 2.37% in December 2006. The coverage ratio of non-performing loans by cumulative provisions stood at 66%, while the ratio exceeds significantly 100%, when collaterals are taken into account. Applying the stricter definition of IFRS 7, the ratio of loans in arrears more than 90 over total loans, the relative ratio stands at 3.4% in December 2007 against 4.1% in December 2006 on a comparable basis and 4.4% in December 2005 respectively. The above reveals a significant trend of improvement even with the new

methodology. The Group's target is to further improve the loans in arrears over 90 days ratio below 2.5% by 2010.

Group Deposits & Debt Securities (€ mn)	Dec. '07	Dec. '06	Δ %
Savings and sight	8,580	7,661	12%
Time, repos and retail bonds issued	15,334	10,303	49%
Total deposits	23,914	17,964	33%
Debt securities to institutional investors	6,931	5,037	38%
Total deposits & debt securities	30,845	23,002	34%

Deposits & retail bonds issued to customers through the branch network reached €23,914 mn, raised by 33% y-o-y. It is noted that Group deposits in Greece grew by 31% y-o-y compared to the respective rate 14%^(est) of the

market. Savings and sight deposits posted an annual increase of 12%, while term deposits, repos and retail bonds issued grew by 49%. The Group emphasized on customer deposits especially during the 4th quarter of 2007, by launching new products and reinforcing marketing activities which resulted in a significant acceleration of the y-o-y rate from 27% in September 2007 to 33% in December 2007, while in a quarterly basis comparing net increase of deposits in 4th quarter 2007 against 4th quarter 2006 increased by 130%. This effort will continue even in 2008 by new products promotion, selective enhancement of the branch network and vitalization of Group's operations in Cyprus that have just recently started.

Securities issued by the Bank (through ECP, EMTN, residential mortgage backed securities and hybrid bonds) to institutional investors reached €6,931mn at the end of December 2007 from €5,037 mn a year ago, up by 38%. It's worth mentioning that during the last quarter the amount raised through ECP programme increased to €2.9 bn from €2.1 bn in September, reflecting the Bank's seamless access to this specific market, in spite of the international market turmoil.

The **loans to customer deposits ratio** at the end of December 2007 improved by 3 percentage points setting at 127% from 130% in September 2007, due to the significant increase of deposits especially during the last quarter of 2007. Excluding securitized loans which are not funded by deposits but by respective bonds issues the loans to customer deposits ratio evolves to 121%.

Group Total Equity (€ mn)	Dec. '07	Dec. '06	Δ %
Shareholders' funds	3,082	1,616	91%
Minority interests	228	216	5%
Total equity	3,310	1,832	81%

Total equity of the Group at the end of December 2007 amounted to €3,310 mn. Shareholders' funds rose respectively to €3,082 mn up by 91% against 2006. The December 2007 shareholders' funds have

been reduced by €118 mn that represent the interim dividend amount distributed in December 2007. Total **regulatory capital** of the Group amounted to €3,789 mn at the December 31st 2007, while **capital adequacy ratio** is 12.2% with Core Tier I at 9.7%.

INCOME STATEMENT ANALYSIS OF PIRAEUS GROUP

Group's profit after tax and minority interests increased by 43% in 2007, amounting to €622.1 mn against €434.6 mn in 2006. An additional tax expense of €30.5 mn has been incurred in January 2008 to banking capital gains retroactively as of 2007 following the new imposed tax law. Excluding the above tax expense, Group's net profit for 2007 amounted to €652.6 mn, up by 50%.

Profit & Ratios	2007	2006	Δ%
Net profit (€ mn)*	652.6	434.6	50%
Net profit (€ mn)	622.1	434.6	43%
Profit before tax (€ mn)	785.3	556.5	41%
Core Profit before tax (excl. trading gains) (€ mn)	551.6	388.1	42%
RoE	29.5%	29.0 %	+50bps
RoA	1.68%	1.68%	-
Cost to income	45.1%	48.4%	-330bps

* excluding the additional tax expense

After tax basic earnings per share, based on the average number of shares, rose to €2.14 from €1.57 in 2006, an increase of 36%. **Pre tax profit** rose to €785.3 mn versus €556.5 in 2006, increasing by 41%. Core profit before tax, excluding trading gains reached €551.6 mn against €388.1 mn last year, reflecting an increase of 42%.

Group's Net Revenues (€ mn)	2007	2006	Δ%
Net interest income	917.0	715.1	28%
Net commission income	226.5	180.6	25%
Dividend income	10.3	18.5	-44%
Net trading gains & gains less losses from investment securities	233.7	168.4	39%
Other income	245.7	141.3	74%
Total net revenues	1,633.1	1,224.0	33%

Total net revenues reached €1,633.1 mn for 2007, up by 33%. **Net interest income** rose by 28%, amounting to €917.0 mn compared to €715.1 mn in 2006. Net interest margin (net interest income on average interest earning assets) stood at 3.08% in 2007 versus 3.31% in 2006.

Group's Net Commissions (€ mn)	2007	2006	Δ%
Commercial banking	153.6	119.3	29%
Investment banking	53.7	43.7	23%
Asset management	19.1	17.6	9%
Total net commissions	226.5	180.6	25%

Net commission income totalled €226.5 compared to €180.6 mn in 2006, an increase of 25%. In particular, net fee and commission income from commercial banking rose by 29%, fees from investment banking activities increased by 23%, while asset management

fees also rose by 9% y-o-y.

Net trading income and gains less losses from investment securities reached €233.7 mn in 2007 versus €168.4 mn a year ago, up by 39%. It is noted that in 2007, gains less losses from investment securities contain the revenue from the sale of the BoC stake (€159.3 mn), while the respective figure in 2006 includes the revenue from the unwinding of the cross shareholding with ING (€129.8 mn).

Analysis of Group's Other Operating Income (€ mn)	2007	2006	Δ%
Other operating income from financial services subsidiaries	77.6	37.0	110%
Other operating income from real estate subsidiaries	159.2	97.5	63%
Other subsidiaries' operating income	8.9	6.9	30%
Total Other Operating Income	245.7	141.3	74%

(consolidated 5 months in 2007). AVIS SA along with the other Group's subsidiary Best Leasing SA hold the leading position in the Greek operating leasing market, **(b)** the maturing of the Group's investments in the real estate sector already generates significant results, accounting for 65% of other operating income. Part of this real estate income stems from the recurring revenue of the affiliated company PICAR SA, which manages the CITYLINK building in the center of Athens, while the financial leasing cost of this building, paid to the Army Pension Fund, amounting to €20 mn, is charged against the Group's interest expense line. It is noted that out of €29 after tax minorities, €23 originated from real estate companies **(c)** 3% from other companies.

Group's Operating Cost Analysis (€ mn)	2007	2006	Δ%
Greek activities (comparable basis)	559.2	491.5	14%
AVIS SA (new acquisition)	5.9	-	-
Personnel loyalty scheme	10.1	-	-
Fire victims donation	5.0	-	-
Greek activities	580.2	491.5	18%
International activities	156.6	101.1	55%
Total operating expenses	736.8	592.6	24%

The **operating expenses** in Greece grew by 18%, while on a comparable basis the cost increased by 14% (i.e. excluding AVIS, the new personnel loyalty programme and the fire victims donation). Including the above and the cost of international activities, total operating cost reached €736.8 mn versus €592.6 mn a year ago, up by 24%.

Group Network	2007	2006	Δ
Number of branches	744	536	+208
> Greece	320	301	+19
> Abroad	424	235	+189
Head count	12,357	9,253	+3,104
> Greece	6,600	5,774	+826
> Abroad	5,757	3,479	+2,278

The increase of operating cost is the result of the rapid expansion of the Group's business, both domestically and internationally. In the last 12 months, **208 new branches** were added to the Group (19 in Greece and 189 abroad), of which 86 branches belong to International Commerce Bank (ICB) in Ukraine which was acquired in 2007. The number of employees

increased by 3,104 (826 in Greece and 2,278 abroad) to 12,357, with 855 employees originating from ICB.

Group's Staff Costs Analysis (€ mn)	2007	2006	Δ%
Greek activities (comparable basis)	291.3	254.7	14%
AVIS SA (new acquisition)	4.0	-	-
Personnel loyalty scheme	10.1	-	-
International activities	73.6	47.1	56%
Total staff costs	379.0	301.8	26%

rate is justified by the enhancement of personnel by 10% in order to support the Group's increasing activities. The respective international operations amount increased by 56%, due to the significant increase in personnel (+65%) and branch network expansion (+80%).

Group's G&A expenses (€ mn)	2007	2006	Δ%
Rents	42.7	36.3	18%
Third party expenses	46.7	37.8	24%
Advertisement	45.1	36.2	25%
Taxes (other than income)	43.9	34.9	26%
Support & promotion of products	28.7	26.0	10%
Other	96.7	76.0	27%
Total G&A expenses	303.9	247.4	23%
Greek activities (comparable basis)	226.8	196.0	16%
AVIS SA (new acquisition)	1.7	-	-
Fire victims Donation	5.0	-	-
International activities	70.4	51.4	37%
Total G&A expenses	303.9	247.4	23%

Due to this significant organic growth, the Group's **staff expenses** amounted to €379.0 mn in 2007 compared to €301.8 mn in 2006, higher by 26%. The comparable staff expenses in Greece (excluding AVIS SA & personnel loyalty scheme) amounted to €291.3 mn in 2007 against €254.7 mn last year, up by 14%. This

The comparable **general and administrative expenses** in Greece (excluding AVIS & fire victims donation) equalled to €226.8 mn in 2007 versus €196.1 mn in 2006, recording a rise of 16%. Including AVIS & fire victims donation and the cost of the international operations, the respective amount reached €303.9 mn versus €247.5 mn in 2006, up by 23%. The latter increase is mainly related to the significant expansion of the Group's branch network and the enhancement of business volumes both in Greece and abroad.

Profit/loss from property and equipment disposal, which according to IFRS is included in operating expenses, equalled to €12.2 mn of profit against €12.0 mn of profit in 2006.

Depreciation expense was set at €66.1 mn versus €55.4 mn in 2006, increased by 19%, mainly due to the expansion of the Group's subsidiaries abroad.

Cost to income ratio stood at the level of 45.1% versus 48.4% last year, improved by 330 basis points. Excluding the revenues from the Bank of Cyprus stake in 2007 and the ING in 2006, the ratio stands at 50.0% against 54.2% in 2006, reporting an improvement of 420 basis points.

Impairment losses on loans and advances were €115.9 mn in 2007, increased by 50% versus 2006 (€77.0 mn), due to the significant enhancement of the Group's loan portfolio mainly abroad and especially in households' loan portfolio.

After-tax and minorities RoE presented improvement and reached the satisfactory level of 29.5% versus 29.0% in 2006. The **after-tax RoA** stood at 1.68% as in 2006.

INTERNATIONAL ACTIVITIES OF PIRAEUS GROUP

Key International Volumes (€ mn)	Dec. '07	Dec.'06	Δ %
Loans	6,201	2,920	112%
Deposits	3,329	2,294	45%

Piraeus Bank Group possesses a large diversification of international operations with presence in 8 countries, which increased to 9 in the beginning of 2008 with the commencement of Cypriot operations.

Loans generated by international subsidiaries presented growth rate of 112% y-o-y, reaching €6,201 mn and accounted for 20% of the Group's loans. **International deposits** increased by 45%, reaching €3,329 mn, contributing by 14% to Group's deposits.

Branches	Dec. '07	Dec.'06	Δ
Albania	39	36	+3
Bulgaria	76	67	+9
Romania	110	54	+56
Serbia	45	26	+19
Egypt	53	39	+14
Ukraine	86	-	+86
London	1	1	-
New York	14	12	+2
Total	424	235	+189

The **international presence** of the Group consists of 424 branches compared to 235 in December 2006, an increase mainly attributed to the acquisition of ICB and the doubling of the branch network in Romania and Serbia. The international branch network exceeds the one in Greece, accounting for 57% of total Group branches. The respective number of **employees** increased by 65% and reached 5,757 by the

end of 2007. The Group has strengthened its market share in all countries, as it is growing at a faster pace than the markets where it operates.

International Profitability Analysis (€ mn)	2007	2006	Δ%
Net revenues	308.6	166.8	85%
Total operating cost	156.6	101.1	55%
Impairment loss on loans & advances	39.6	7.5	429%
Share of profit of associates	0.3	0.3	-
Profit before tax	112.8	58.5	93%
Profit after tax attributable to shareholders	79.7	40.3	98%

Group's profit attributable to shareholders from international operations amounted to €79.7 mn. Thus, the contribution of international operations in the Group's net profit, excluding the revenue from the sale of the BoC stake, increased to 16% in 2007 from 12% in 2006 (excluding the revenue from ING respectively). **Net revenues** increased by 85%, while total

operating cost by 55%, due to the growth of the Group's activities and the expansion of the network.

RECENT DEVELOPMENTS

- On February 12, 2008 the international rating agency Standard & Poor's upgraded the credit rating outlook of Piraeus Bank to 'positive' from 'stable', affirming the Bank's BBB+ rating
- Commencement of Piraeus Bank Cyprus Ltd operations in January 2008 with 4 branches, following the relevant approval from Central Bank of Cyprus and the acquisition of the local branches of Arab Bank Cyprus. These initiatives accelerate the implementation of the Group's business plan in Cyprus
- Commencement of Piraeus Bank Representative Office operations in Moscow

PIRAEUS BANK'S SHARE DATA

In the last twelve months, the closing price of Piraeus Bank's share fluctuated between €28.44 (maximum, on 07.11.08) and €20.18 (minimum, on 23.01.08). The Bank's market capitalisation was €7.2 bn on 11.02.08, ranked 8th in ATHEX. The number of outstanding shares of Piraeus Bank at the end of December 2007 was 339,198,587, while the weighted average during 2007 period (excluding treasury stock) was 291,171,706. The liquidity of Piraeus Bank stock in ATHEX remains particularly high, with a percentage of 88% (Jan.'07-Dec.'07), compared to 62% of the banking index respectively.

DIVIDEND DISTRIBUTION

Following the distribution of interim dividend of €0.36 per share for the financial year 2007, the Piraeus Bank's Board of Directors, has decided to propose at the Ordinary General Meeting of Shareholders on April 3rd, 2008, the distribution of a dividend of €0.72 per share for the financial year 2007 compared to € 0.51 in 2006 (adjusted dividend due to the share capital increase). The 2007 dividend has increased by 41% compared to 2006, representing a dividend yield of 2.8% based on the average share price of 2007. It is noted that as of April 7th, 2008 the share will be traded ex -dividend and its payment will commence on April 15, 2008.

Athens, 12 February 2008

Note: FY 2007 Financial Statements have been approved on February 12th, 2008 by the BoD of Piraeus Bank and will be released on February 14th, 2008.

Group Results (€ mn)	2007	2006	Δ %
Net interest income	917.0	715.1	28%
Net fee and commission income	226.5	180.6	25%
Net Interest Income & Net Commission income	1,143.4	895.8	28%
Dividend income	10.3	18.5	-44%
Net trading income & Gains less losses from invest. securities	233.7	168.4	39%
Other operating income from financial services subsidiaries	77.6	37.0	110%
Other operating income from real estate subsidiaries	159.2	97.5	63%
Other subsidiaries' operating income	8.9	6.9	30%
Total Net Revenues	1,633.1	1,224.0	33%
Staff costs	379.0	301.8	26%
Administrative expenses	303.9	247.5	23%
(Profit) / loss on sale of property and equipment	(12.2)	(12.0)	2%
Depreciation and amortisation	66.1	55.4	19%
Total Expenses	736.8	592.7	24%
Impairment losses on loans and advances	115.9	77.0	50%
Share of profit of associates	4.9	2.2	127%
Profit before Tax	785.3	556.5	41%
Income tax expense	133.9	100.1	34%
Minority interests	29.3	21.8	34%
Net Profit attributable to Shareholders (*)	652.6	434.6	50%
Net Profit attributable to Shareholders	622.1	434.6	43%
EPS attributable to shareholders (€) :			
- Basic	2.14	1.57	36%
- Diluted	2.13	1.56	36%

(*) excluding the additional tax expense of €30.5 incurred to banking capital gains in January 2008 retroactively as of 2007

Consolidated Balance Sheet (€ mn)	31.12.2007	31.12.2006	Δ%
Cash and balances with Central Banks	3,400	1,885	80%
Treasury bills	215	165	30%
Loans and advances to banks	2,612	2,627	-1%
Loans and advances to customers	30,705	20,804	48%
Minus provisions	416	378	10%
Net loans and advances	30,289	20,427	48%
Financial assets at FV through P&L	5,015	2,021	148%
- bonds	4,864	1,889	157%
- shares	151	132	14%
Investment securities	1,494	1,400	7%
- bonds	1,214	793	53%
- shares	280	607	-54%
Investments in associates	117	30	293%
Goodwill	180	139	29%
Other intangibles	85	53	60%
Property, plant and equipment	863	524	65%
Investment Property	693	620	12%
Deferred tax assets	144	100	44%
Other assets	1,321	940	41%
Total Assets	46,427	30,931	50%
Deposits from banks	10,706	4,883	119%
Due to customers (including retail bonds)	23,914	17,964	33%
Debt securities to institutional investors (ECP, EMTN, RMBS, hybrid)	6,931	5,037	38%
Deposits and debt securities	30,845	23,002	34%
Deferred tax liabilities	134	72	86%
Retirement benefit obligations	170	153	11%
Other liabilities	1,263	989	28%
Total Liabilities	43,118	29,099	48%
Shareholders' funds	3,082	1,616	91%
Minority interest	228	216	5%
Total Equity	3,310	1,832	81%
Total Liabilities & Equity	46,427	30,931	50%

Group Customer Loans (€mn)	31.12.2007	31.12.2006	Δ%
Large Corporates	6,961	4,655	50%
Small and medium-sized enterprises	13,665	8,803	55%
Loans to corporates	20,626	13,458	53%
Mortgages	5,743	4,442	29%
Consumer loans & credit cards	4,336	2,904	49%
Loans to households	10,079	7,347	37%
Total gross loans to customers	30,705	20,804	48%

Group Deposits (€mn)	31.12.2007	31.12.2006	Δ%
Deposits	3,573	3,626	-1%
Sight-Current	5,007	4,034	24%
Term	12,354	8,774	41%
Retail bonds issued, repos and other deposits	2,981	1,529	95%
Total deposits and retail bonds	23,914	17,964	33%
Debt securities to institutional investors	6,931	5,037	38%
Deposits and debt securities	30,845	23,001	34%

KEY RATIOS	2007	2006
RoE	29.5%	29.0%
RoA	1.7%	1.7%
Cost to income	45.1%	48.4%
Net interest margin	3.1%	3.3%