

Piraeus Bank Group

Full Year 2008 Financial Results

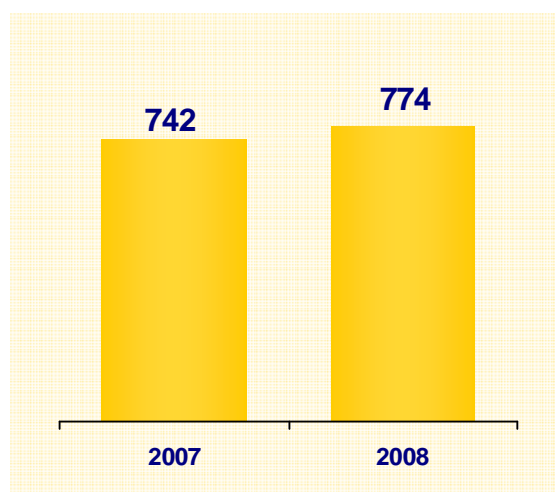


Piraeus Bank
Corporate Social Responsibility

Full Year 2008 Performance Highlights (I)

Financial Results

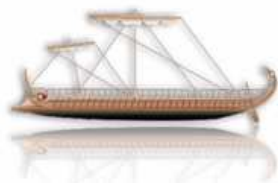
Profit Pre Tax & Provisions (€ mn)



- **Profit pre tax and provisions** rose to €774 mn
- **Additional collective provisions** of €215 mn in Q4'08, augmenting loss absorption reserve
- **Net profit** at €315 mn (EPS €0.97); excluding additional provisions at €530 mn (EPS €1.64)
- **Net interest income** up by 26% y-o-y, **NIM** at 3%
- **Commercial banking commissions** up by 30%
- **Net interest income & net commercial banking fees** comprise 82% of total net revenues
- **Operating cost** up by 15% on a comparable basis
- **Provisions on average loans** at 111 bps vs. 45 bps in 2007

Note: data of 2007 (where mentioned) are excluding the one-off trading gain

Full Year 2008 Performance Highlights (II)



Total Equity
€ 3,025 mn

Regulatory Capital
€ 3,712 mn

Accumulated Provisions
€ 703 mn

Access to
€ 370 mn Pref Shares
€ 2,500+ mn Liquidity



Selected Ratios

Tangible Equity / Assets	5.0%
Capital Adequacy	9.9%
Tier 1 Ratio	8.0%
Tier 1 Ratio proforma	8.9%

Balance Sheet

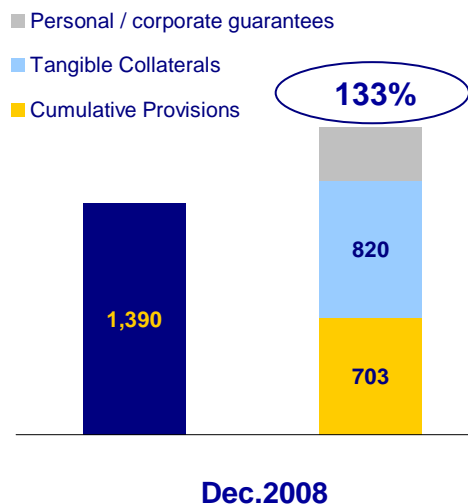
- **Total assets at €55 bn**, up by 18%
- **Deposits** higher by €7.4 bn, +31%
- **Loan Portfolio** expanded by €8.0 bn, +27%
- **Two new securitizations** in 2008 (€2.5 bn)
- **Loans / Deposits ratio** adjusted for securitizations at 112% vs. 121%
- **Cumulative Provisions** of €703 mn (1.8% of gross loans)
- **Total equity** at €3 bn, tangible equity €2.7 bn
- **Capital adequacy ratio** at 9.9% with Tier I at 8.0%; adjusted for the €370 mn preference shares at 10.9% and 8.9% respectively
- **Tangible Equity / Total Assets** at 5.0%, amongst the highest in Europe

Liquidity

- **Adequate liquidity levels, no maturity concentrations**
- **€750 mn** raised from Greek government liquidity measures in Dec.'08

Additional Highlights

Loans in Arrears > 90 days & Coverage



Asset Quality

- Well diversified, self-originated **Loan Portfolio**
- High quality **Fixed Income Portfolio**, 95% Central Bank Eligible
- Despite intense competition and high lending growth in recent years, vintage analysis demonstrates **clear consistent improvement** year by year in the last 4 years
- Loans in arrears > 90 days (IFRS 7)** at 3.56%, marginally up vs. Dec.'07 (3.39%)
 - covered 133% by provisions and collaterals
- Non Performing Loans (>180 days)** at 1.89% vs. 1.78% in Dec.'07
 - covered 178% by provisions and collaterals at year-end 2008

Pre-emptive Management Initiatives



Improved origination procedures

- ✓ Tightened risk assessment
- ✓ Increased securitization eligibility
- ✓ RWA optimization



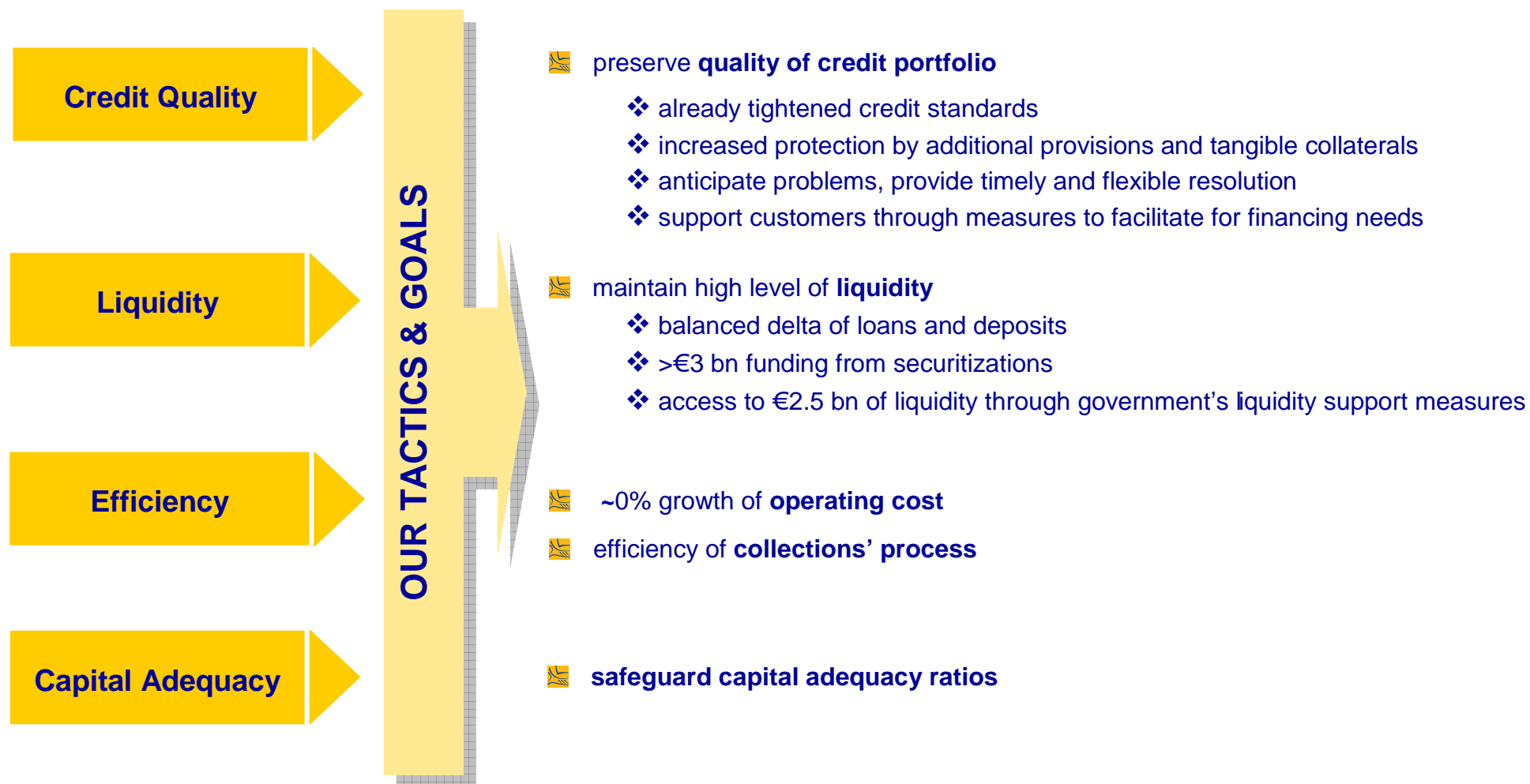
Arrears & NPLs management

- ✓ **Structural credit process** improvement (enhanced monitoring and workout) to reduce future arrears
- ✓ **Reallocation** of officers and resources from credit approval to workout centers
- ✓ **Collection channel optimization**
- ✓ Extensive **use of technology** through behavioral scorecards for the collection process
- ✓ **Proprietary collection agencies in Greece and Romania** to ensure the quality and availability of resources



Cost reduction initiation through **zero based budgeting**

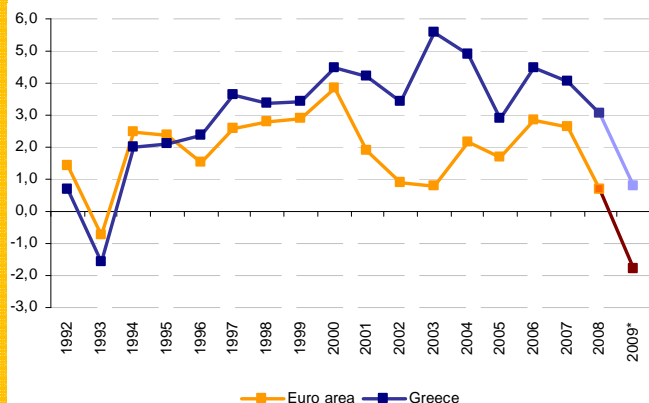
Targets for 2009



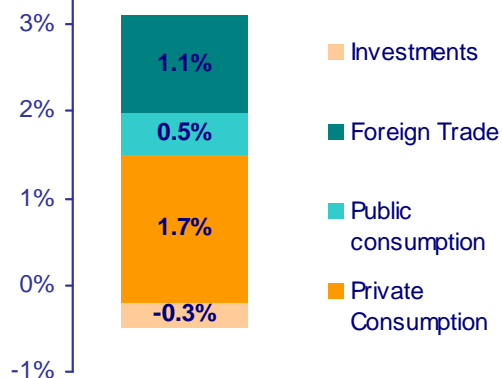


Greek Economy

GDP Growth Greece & EMU



GDP Growth Structure (2008, est.)



Pros

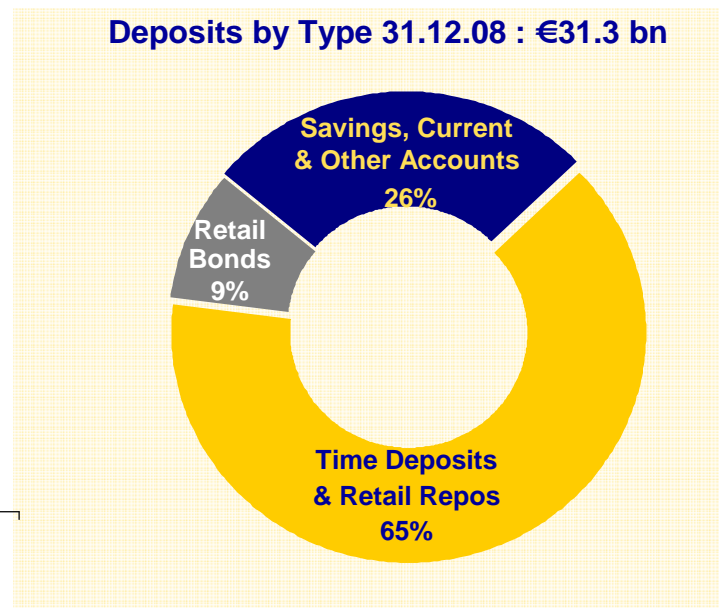
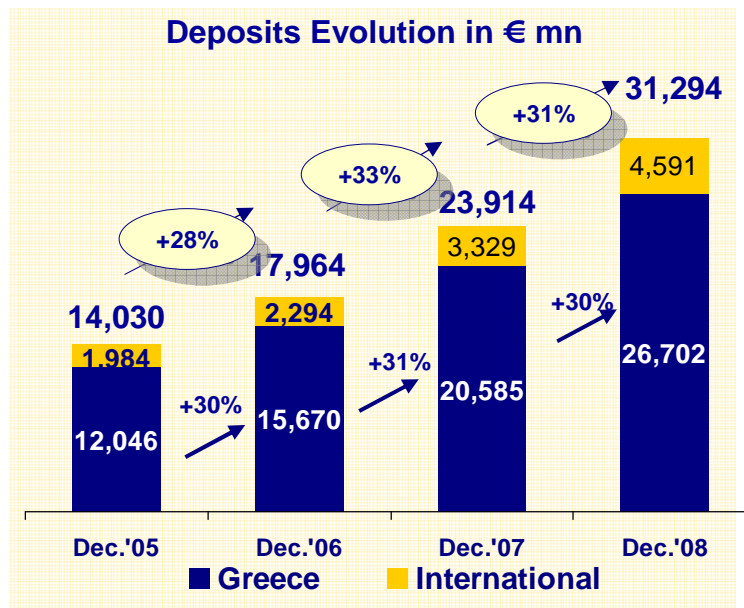
- Piraeus Bank view for Greek GDP is **in line with consensus**
- Greece will invest €39.4bn in **public infrastructure projects** until 2013:
 - ✓ €20.4 bn will be sourced by EU funds (NSRF)
 - ✓ €11.5 bn from public funds and
 - ✓ €7.5 bn from the private sector
- ~ 1mn employees in Greece (1/4 of total employees) are working in the **wider public sector**, enjoying high levels of job security
- Half of households and firms in Greece **still with no leverage** (BoG, 2007 survey)
- Based on last year's national employers-employees agreement, the **annual average increase of the private sector's minimum wage** was 5.7%
- Tight regulated labor market that protects employment; substantial '**real**' **wage growth** (inflation is expected at 1.8%-2.0% in '09), will support consumption growth which amounts to 71% (88% including public consumption) of GDP

Cons

- The 14.5% **current account deficit** receives a lot of attention. Nevertheless the Goods and Services trade deficit (excluding net payments for fuels and ships) which reflects Greek competitiveness deficit stood at 4.1% in 2008 from 4.5% in 2007
- High debt to GDP**; deterioration concerns, in line with international trend
- High deficit to GDP**

Customer Deposits

- In 2009 Greek market is expected to grow by upper single growth rate vs. 15% in 2008



- Group deposits up by 31% y-o-y
- For 3rd consecutive year, Greek deposits grew at the level of 30% vs. market 3-year average of 13%
✓ market share at 11% (est.) vs. 9.5% last year
- In 2008 Greek deposit portfolio grew by €6.1 bn, while international operations grew €1.3 bn

Funding Capacity, Loans / Deposits Ratio

Debt Securities Maturity Profile

	2009	2010	2011	>2011
Senior	615	1,315	505	100
LT2	400		400	200
Tier 1				
Total	1,015	1,315	905	300

Asset Backed Issuance

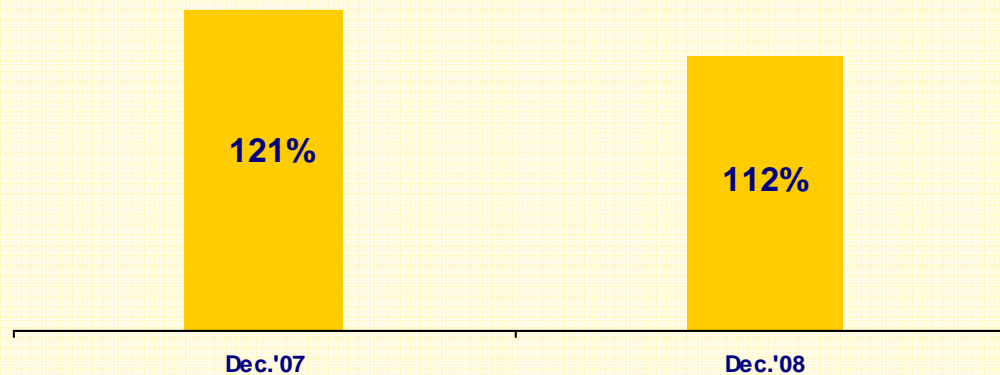
	Type	Amt	Date
Estia I	RMBS	750	Jun-05
Estia II	RMBS	1,250	Jul-07
Estia III	RMBS	800	Apr-08
Axia I	SME's	1,750	Nov-08
Total		4,550	

Access to
€ 2,500 + ml Liquidity

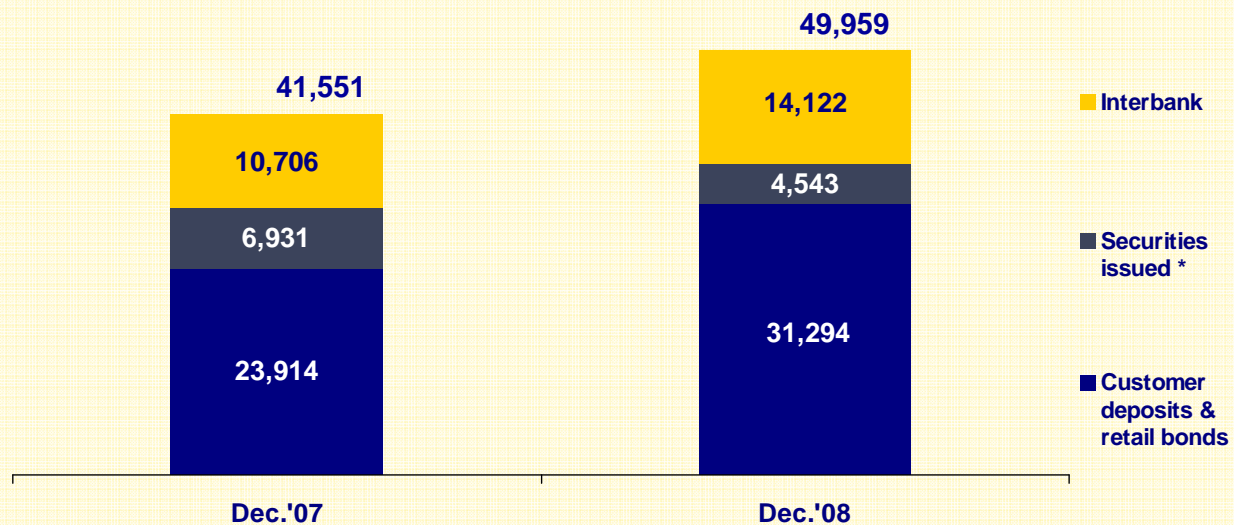


Loan / Deposits Ratio

(adjusted for securitizations)

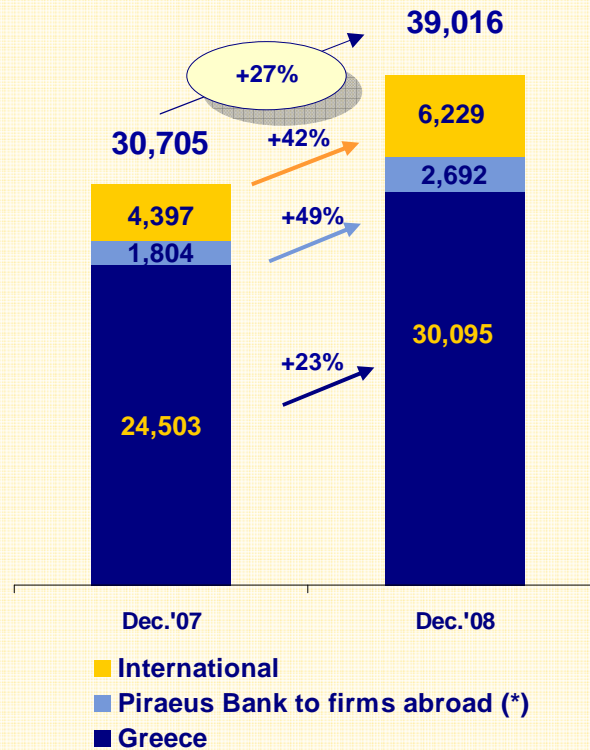


Funding Breakdown (€ mn)



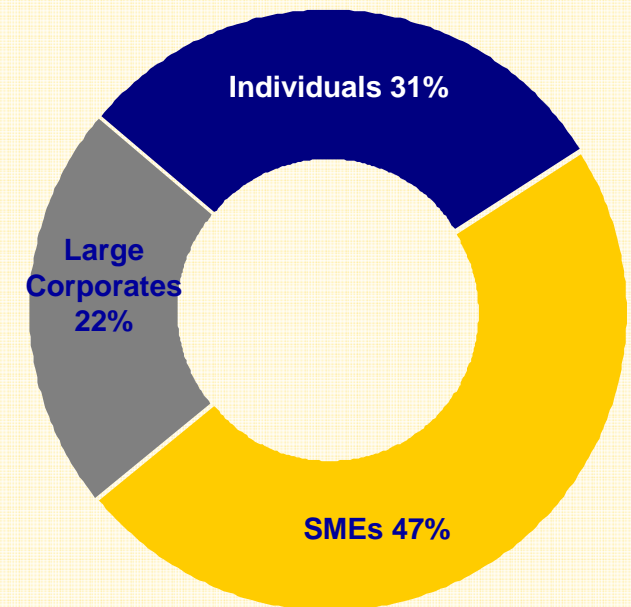
Loan Portfolio

Loans by Region (y-o-y)



* mainly to firms of Greek and EU interests

Loans by Customer Type - 31.12.08



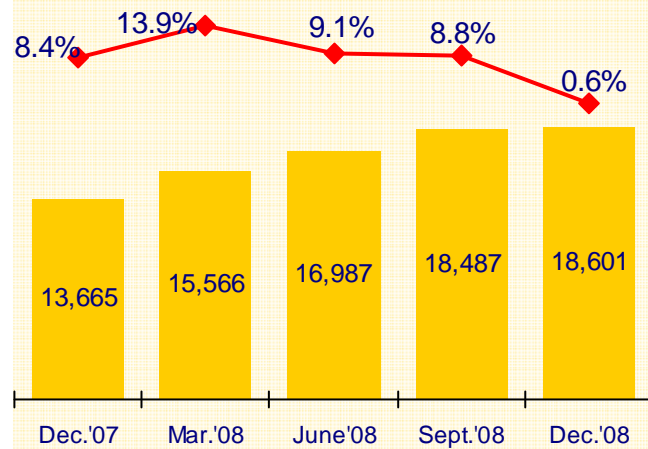
Group loan growth moderated to 27% y-o-y



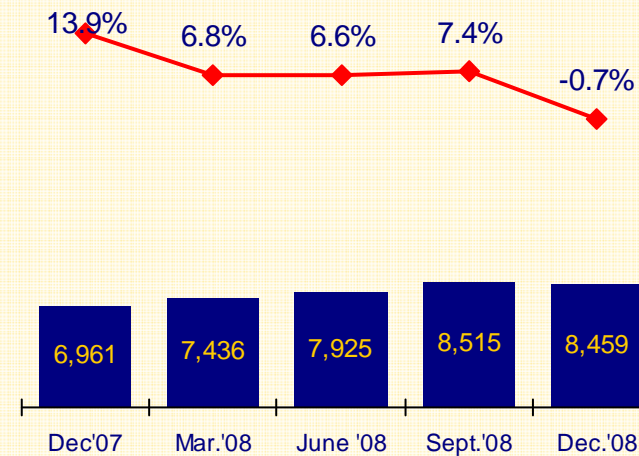
In 2008 Greek gross loan portfolio grew by €5.6 bn, while international operations grew €2.7 bn

Lending Per Segment Moderated

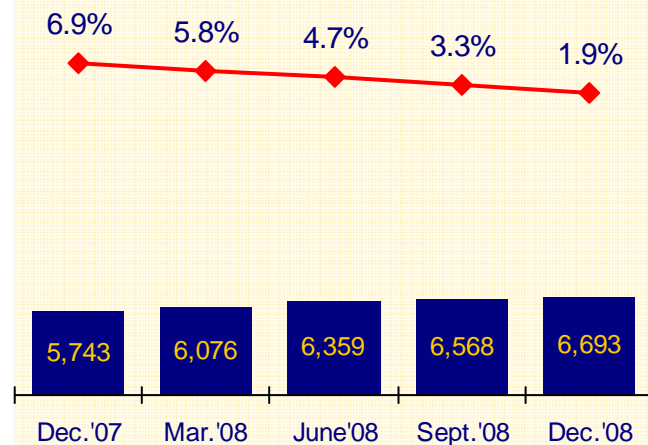
Loans to SMEs (€ mn)



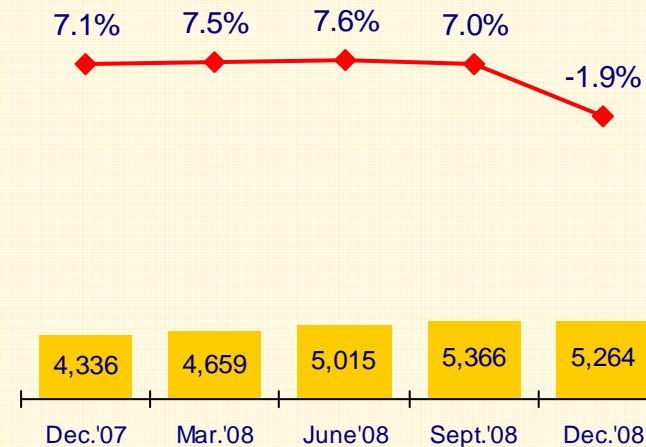
Loans to Large Corporates (€ mn)



Mortgages (€ mn)



Consumer Loans (€ mn)



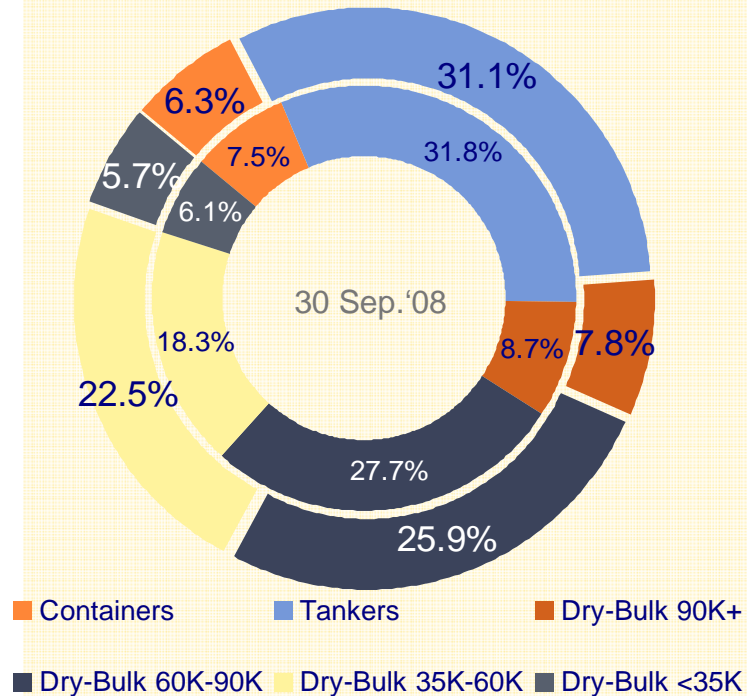
◆ q-o-q growth

Shipping Portfolio

- Shipping markets have temporarily bottomed out and their outlook is more positive now than it was during Q4'08
- Shipping loan portfolio is expected to decline within 2009
- Consists of 55 well known traditional and tried Greek ship-owners, who employ vessels in period with first class names
- All stage payments on new ship buildings covered by refund guarantees issued by first class banks
- In this cyclical industry, Piraeus had zero losses on any loan originated in the last 10 years

Breakdown of shipping portfolio by type of ships

31 Dec.'08



Key Statistics

- Loan Book :€1.4 bn
- Avg Life of loan book : 4-5 years
- Ship Owners: 55, # of vessels : 129 (including newbuilding)
- Vessel Coverage ratio 118% (collaterals at current values*/ loans)
- Avg "age" of customers' fleet : ~13 years
- Loans in arrears >90 days 0%

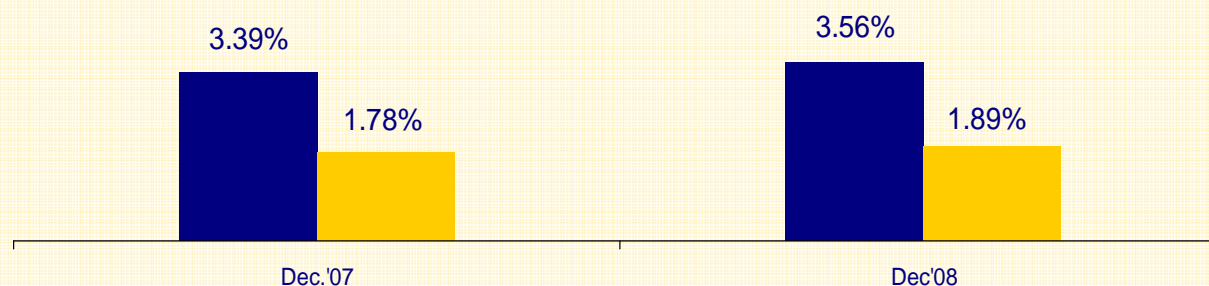
* Valuations updated weekly; calculated on a charter-free basis, valuations providers: Clarkson, Cordell and other acceptable independent valuers

Credit Quality & Diversification

- Non Performing Loans (> 180 days) at 1.89% in Dec.'08 vs. 1.78% in Dec.'07
- Loans in arrears > 90 days (IFRS 7) at 3.56% in Dec.'08, with slight deterioration vs. Dec.'07 (3.39%), arising mainly from retail portfolio
- Write-offs of €87 mn in 2008

Loan Portfolio Quality Ratios

■ Loans in arrears > 90 days (IFRS 7)
■ NPLs (> 180 days)



Loans by Sector 31.12.08

Mortgage	17.2%
Consumer	13.5%
Manufacturing	13.0%
Trade	11.5%
Construction	7.1%
Real Estate	4.6%
Tourism	4.6%
Energy & Transport	4.2%
Project Finance-Infrastructures	4.0%
Shipping	3.6%
Professionals	3.5%
Financials	2.7%
Agriculture	1.4%
Handicraft	0.7%
State firms	0.5%
Other *	7.9%

• other includes exposure to logistics, to health industry, to mines etc.

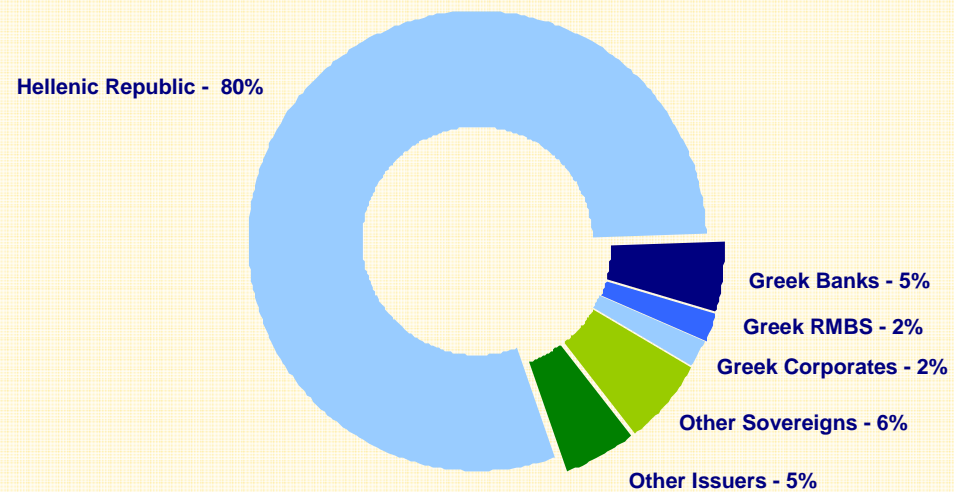
Fixed Income Portfolio Asset Quality

Issuer	Face Value		Avg. Life	Remarks
Hellenic Republic	4,672	80%	6.8	Max Tenor 10Years, >80% Floating Rate Format.
Other Sovereigns	359	6%	1.4	Local Currency Tbills & Bonds: EGP, ALL & RON.
Greek Banks	318	5%	3.1	Senior 84%, LT2 14%, T1 2%.
Greek Prime RMBS	94	2%	3.0	Seasoned AAA/Aaa Tranches only.
Greek Corporates	90	2%	2.7	Average Credit Rating: BBB
Other Issuers	296	5%	3.5	Average Credit Rating: BBB
Total	5,829	100%	6.0	-

€ min equiv. % Years

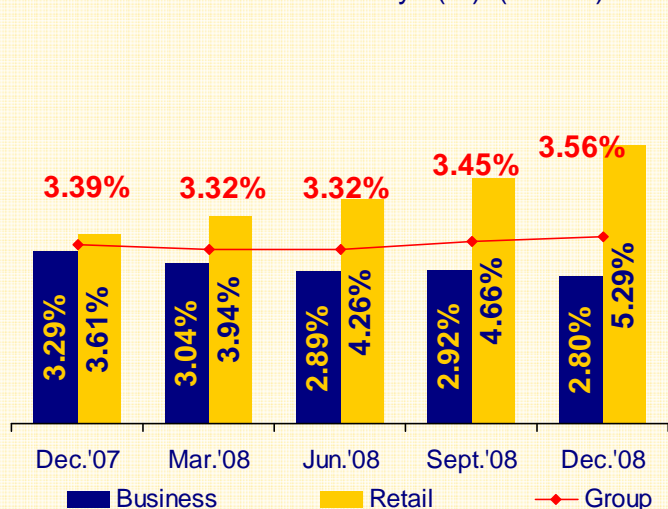
- Approximately 95% of portfolio is Central Bank Eligible
- Single name credits only
- No structured credit or alternative investments
- No embedded interest rate derivatives
- No material credit derivative positions

Fixed Income Holdings by Issuer 31.12.08

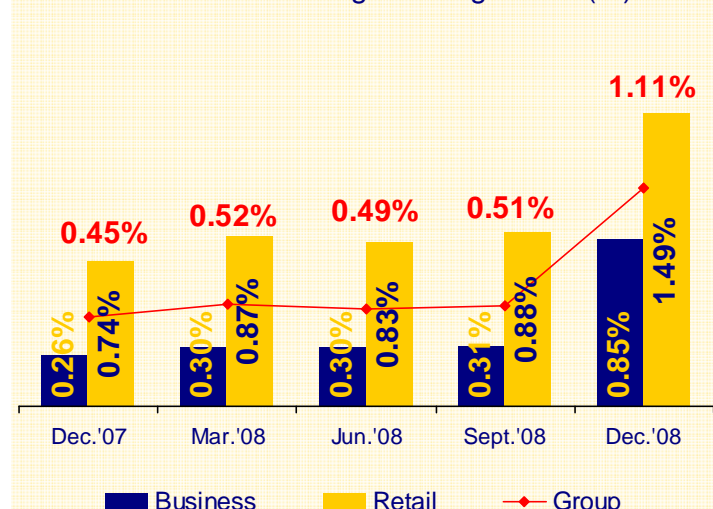


Asset Quality Data

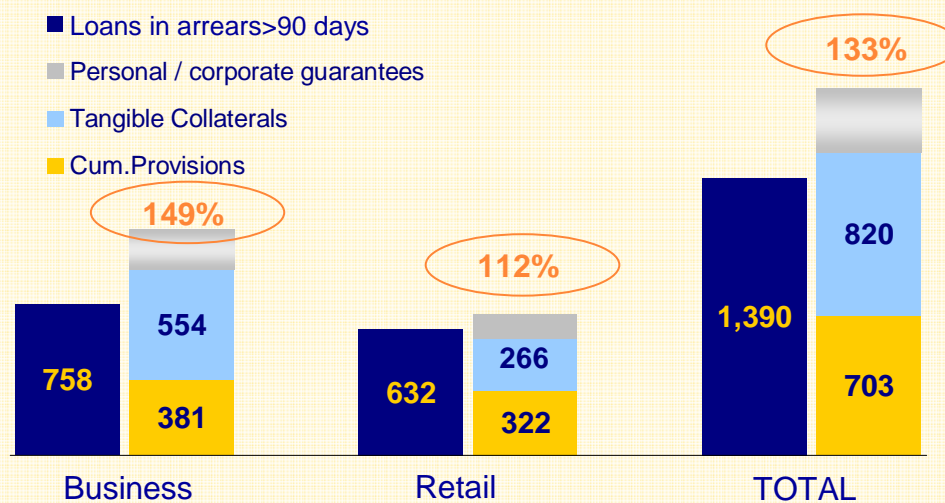
Loans in Arrears > 90 days (%) (IFRS7)



Provision Charge on Avg Loans (%)

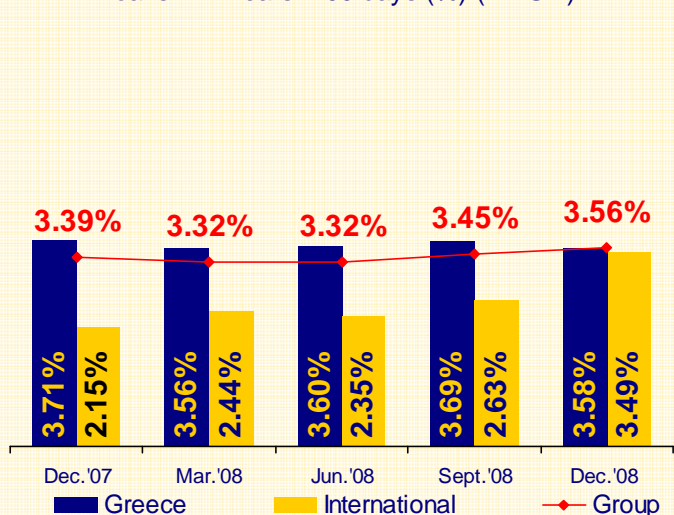


Arrears, Provisions, Collaterals in Dec.'08 (mn €)

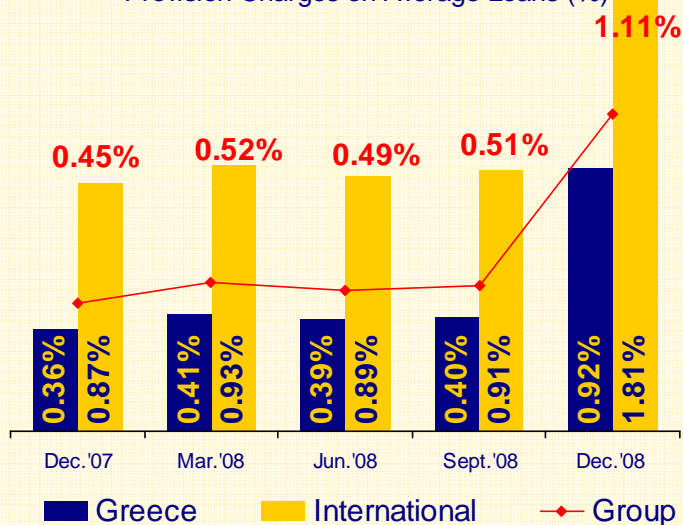


Asset Quality Data

Loans in Arrears > 90 days (%) (IFRS 7)

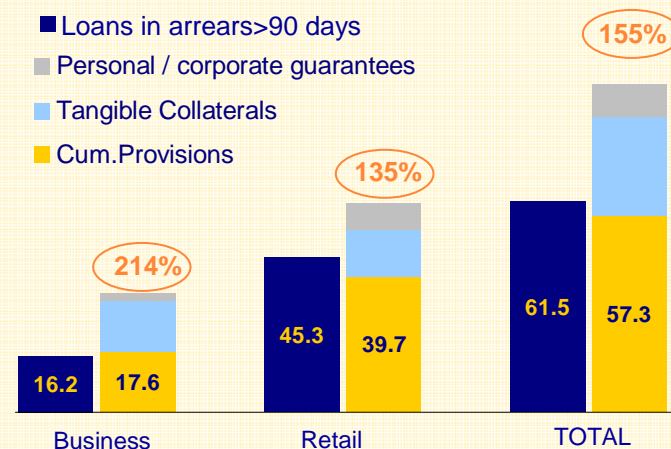


Provision Charges on Average Loans (%)



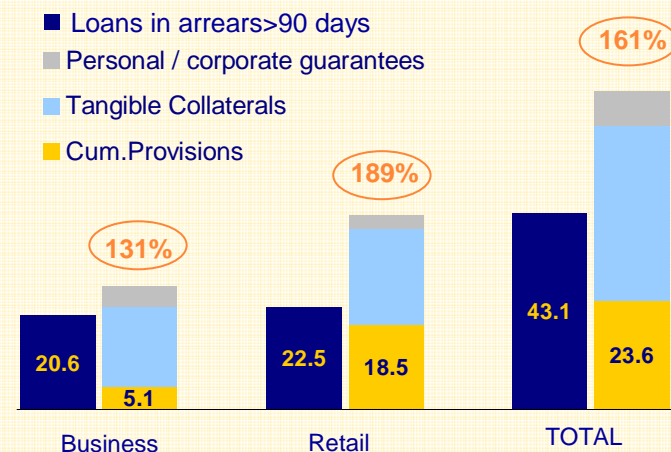
Romania (mn €)

Arrears, Provisions, Collaterals in Dec. '08












Bulgaria (mn €)

Arrears, Provisions, Collaterals in Dec. '08

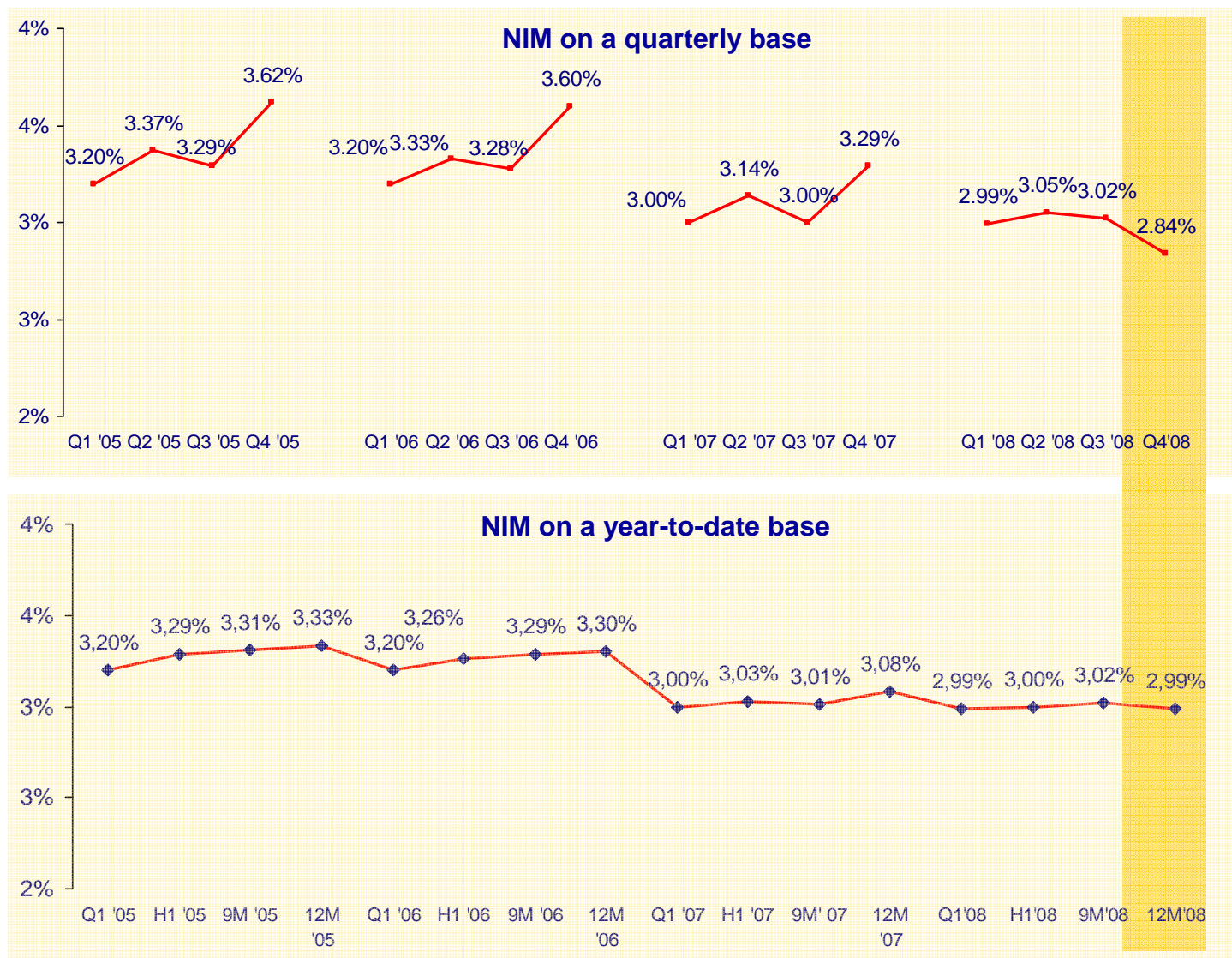


Volumes per Country

Based on financial statements in each country

	Assets in million €			Loans in million €			Deposits in million €		
	2008	2007	Δ	2008	2007	Δ	2008	2007	Δ
Albania 	677	565	20%	469	355	32%	426	425	-
Bulgaria 	2,273	1,944	17%	1,687	1,368	23%	633	599	6%
Romania 	2,738	1,955	40%	1,936	1,352	43%	941	513	83%
Serbia 	386	455	-15%	335	257	30%	104	102	2%
Egypt 	1,380	1,205	15%	840	522	61%	1,054	1,028	3%
Ukraine 	245	195	26%	216	119	82%	46	89	-49%
Cyprus 	966	34	>100%	346	33	>100%	784	20	>100%
SE Europe & Eastern Med/ranean	8,665	6,353	36%	5,828	4,007	45%	3,989	2,775	44%
New York, Marathon Bank 	574	558	3%	401	390	3%	501	494	2%
TOTAL	9,239	6,911	34%	6,229	4,397	42%	4,591	3,329	38%
From Piraeus Bank mainly to firms of Greek and EU interests 	2,904	1,893	53%	2,692	1,804	49%	-	-	

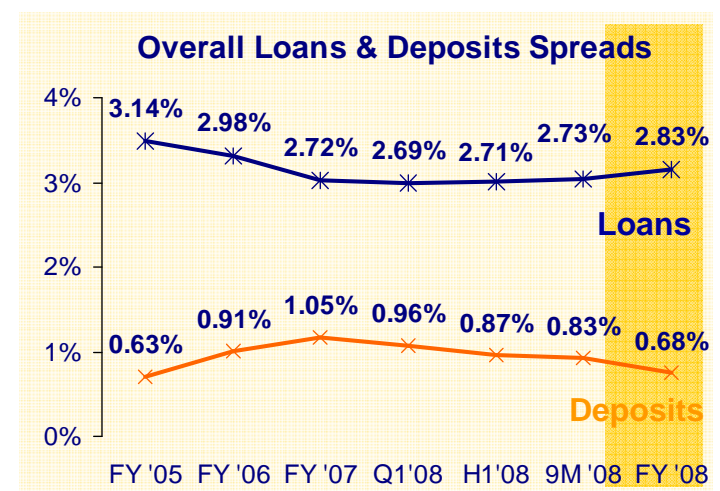
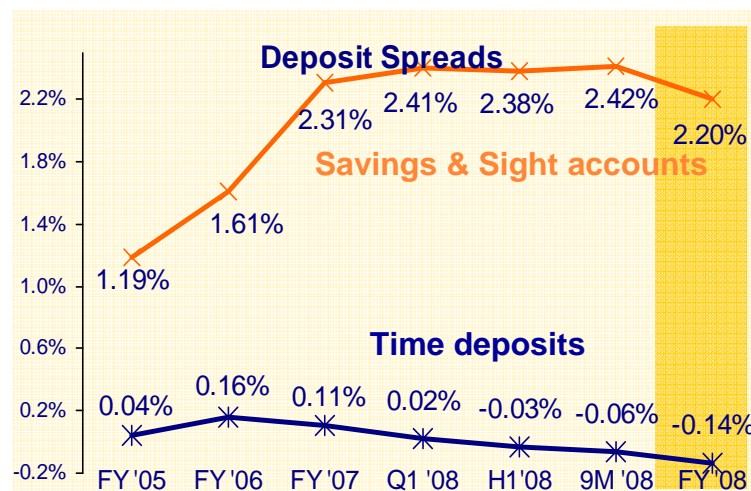
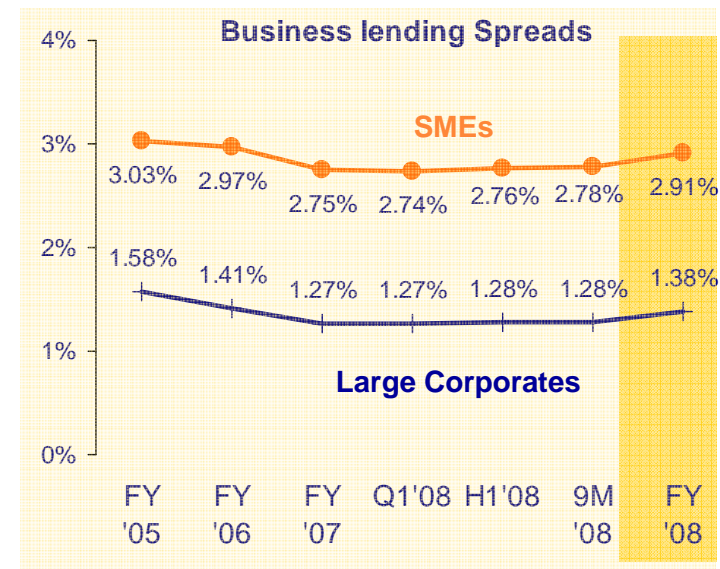
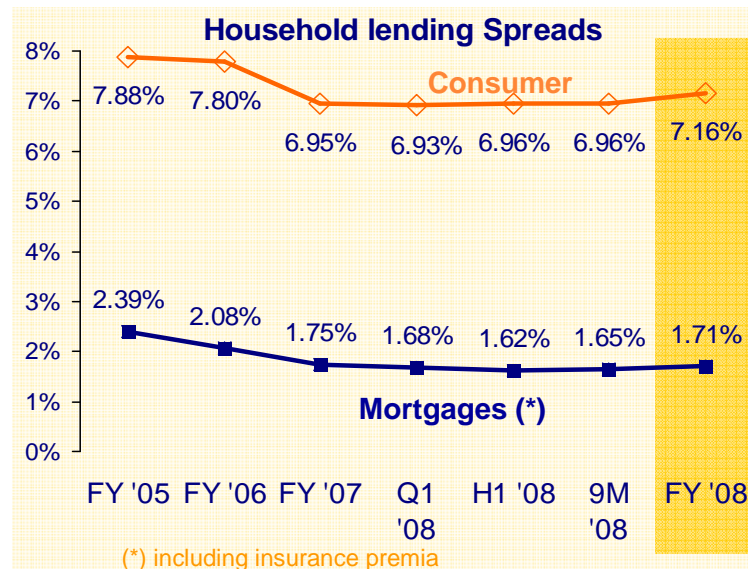
Net Interest Margin Evolution (*)



(*) net interest income on avg interest earning assets

Spreads - Greek Operations (Bank Level)

- Repricing actions in lending
 - new production in all business segments at higher levels
 - increase of spreads in business renewals
- Time deposits spreads under ongoing pressure due to competition
- Savings & current accounts' spreads still at high level but expected to come down due to lower base rates environment

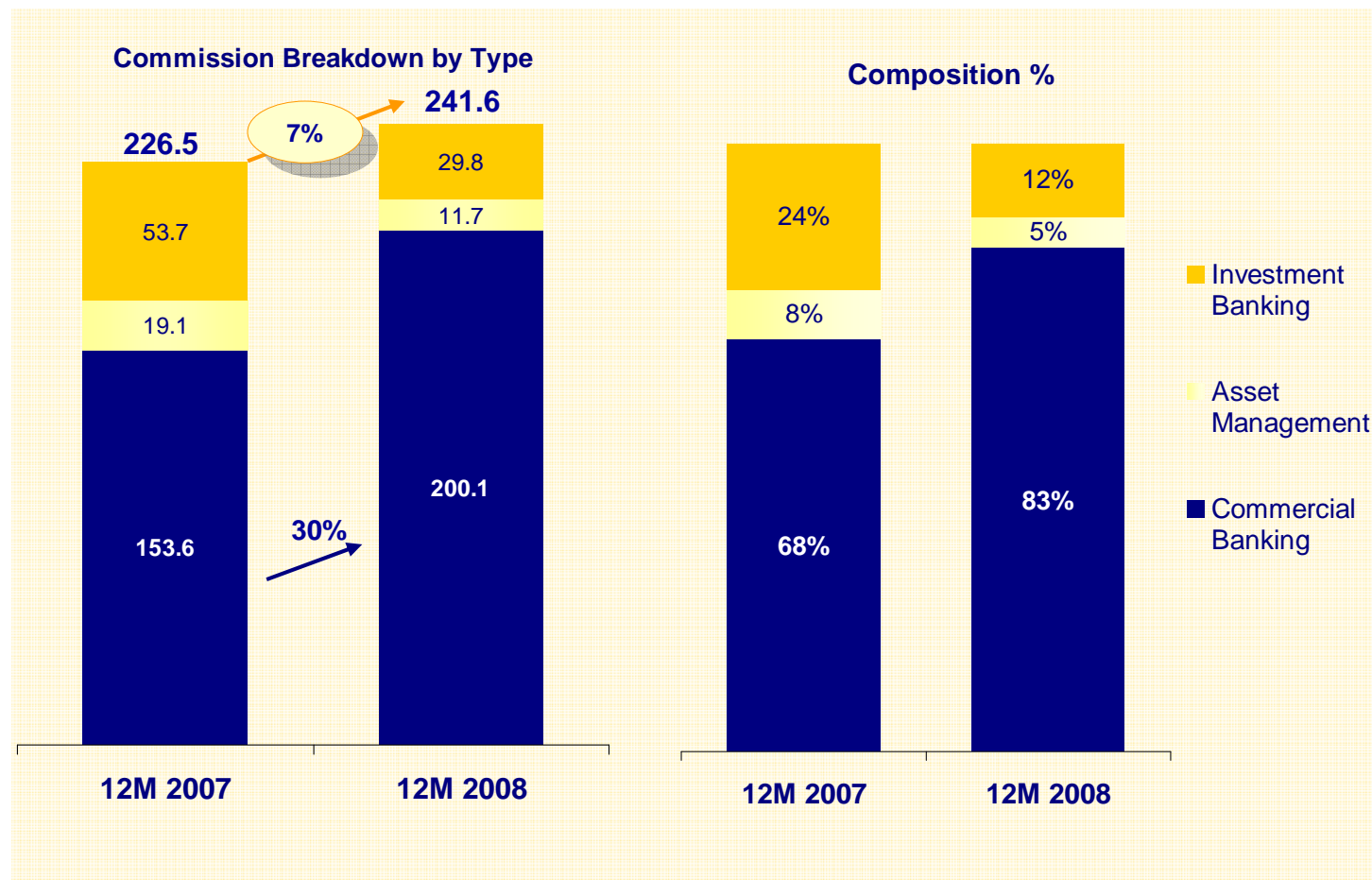


Consolidated Income Statement

According to IFRS (€ mn)	2008	2007	Δ%
Net interest income	1,159.8	917.0	26%
Net fee and commissions income	241.6	226.5	7%
> commercial banking fees	200.1	153.6	30%
> investment banking & AM	41.7	72.9	-43%
Dividend income	25.9	10.3	>100%
Trading income & gains less losses from inv. securities	7.7	74.4	-90%
Revenues from financial services subsidiaries	99.4	77.9	28%
Revenues from real estate subsidiaries	106.6	159.1	-33%
Other revenues	10.7	8.6	25%
Total net revenues	1,651.7	1,473.8	12%
Employee costs	442.1	379.0	17%
Other administrative expenses	382.5	303.9	26%
(Profit)/ loss on sale of property	(5.0)	(12.2)	-59%
Depreciation & amortization	77.0	66.1	17%
Total operating cost	896.6	736.8	22%
Share of profit of associates	18.9	4.9	>100%
Profit before tax & provisions	774.0	741.9	4%
Impairment losses on assets	173.2	115.9	49%
Profit before tax	600.8	626.0	-4%
Income tax	54.5	94.0	-42%
Minority interest	16.2	29.3	-45%
Net profit attributable to SHs	530.1	502.7	5%
Proactive collective provisions	215.0	-	-
Net profit attributable to shareholders	315.1	502.7	-37%

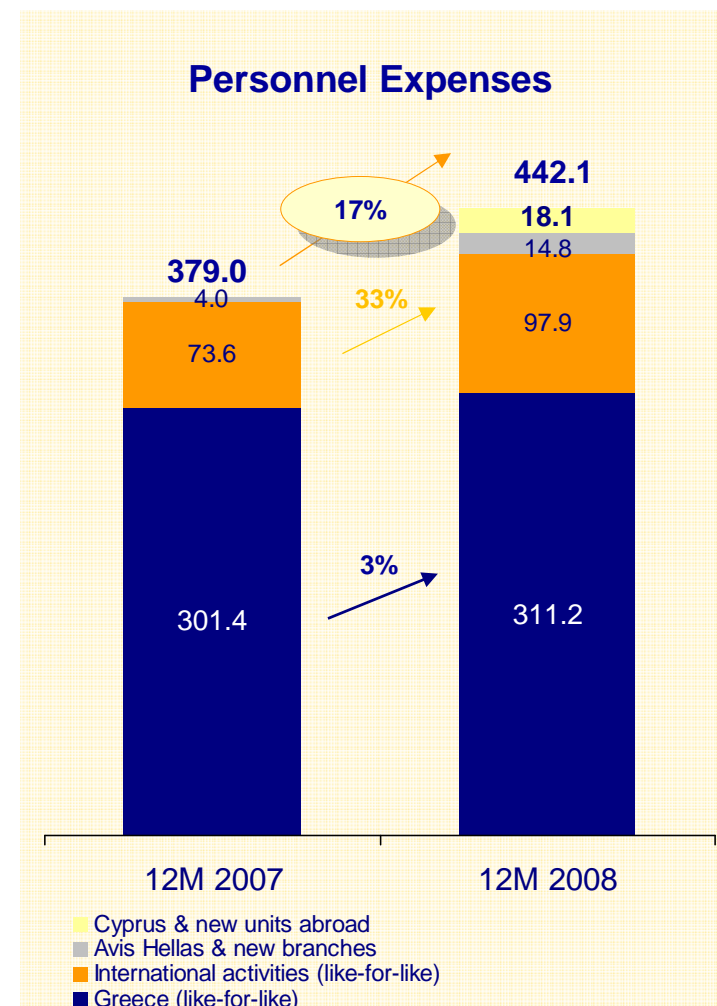
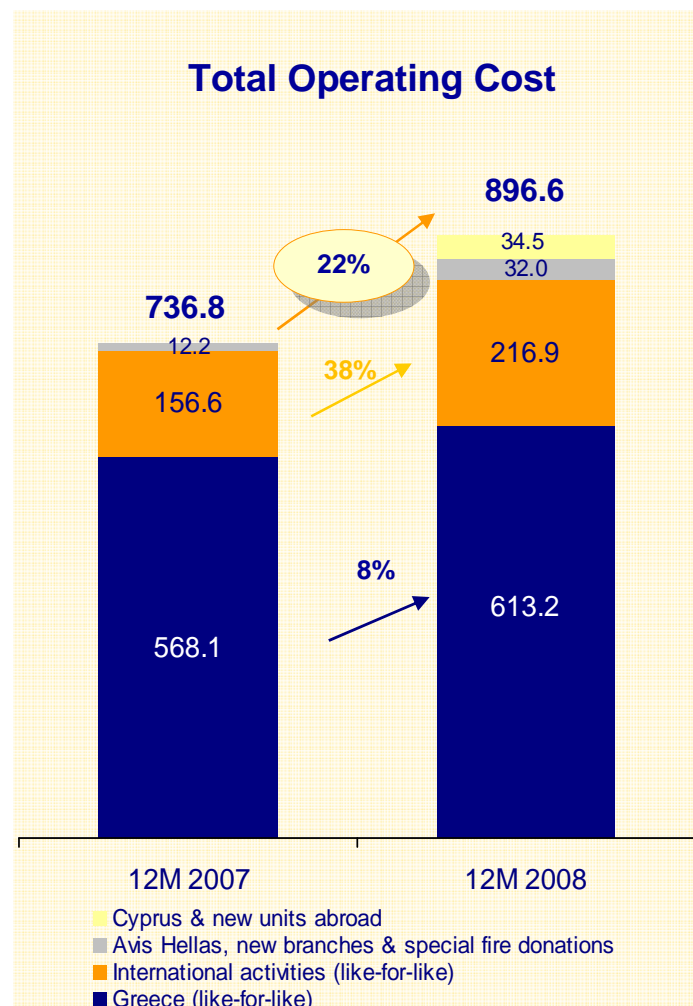
Fees Growing Strong in Commercial Banking

- Commercial banking commissions increased by 30%, as a result of significant increase in operations, accounting for 83% of fees
- This performance offsets the anticipated decrease in investment banking, brokerage and asset management fees, which was due to unfavorable market conditions (y-o-y ATHEX General Index down by 66%, M/F market down by 58%)



Operating Cost Analysis

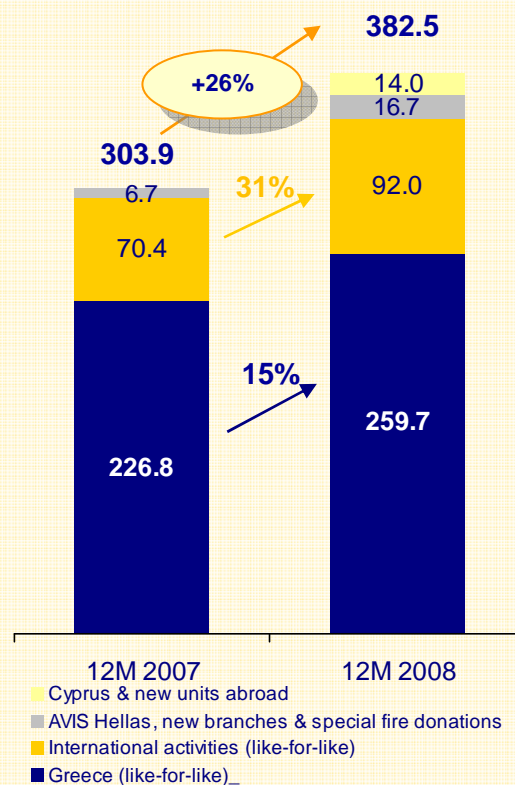
- Total operating cost up by **15% like-for-like**, mainly affected by the substantial increase in branches and personnel both in Greece and abroad
- Operating expenses in Greece affected by the costs of Avis Hellas (€14.7 mn), special donation (€8.7 mn) and new branches opened during the last 12 months (€8.6 mn)
- Total personnel costs up **9% like-for-like**, with international units growth up by 33% and domestic costs up by 3% on a comparable basis
- Depreciation expenses up 17% to €77 mn, due to expanding network both in Greece and abroad



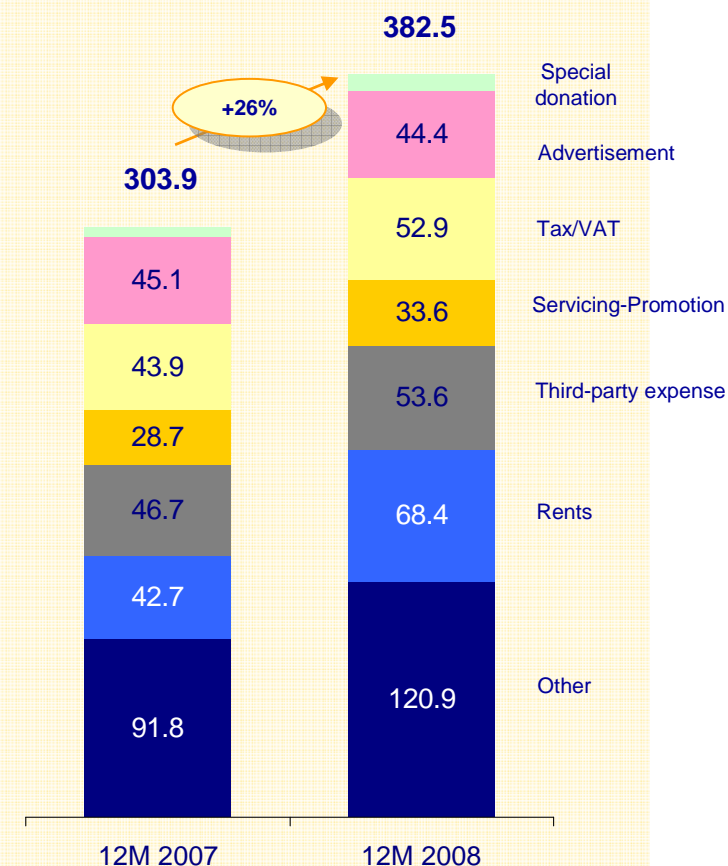
Operating Cost Analysis (continued)

Administrative expenses
burdened by extensive branch
openings in Greece & abroad,
as well as special donations
(Greek fire dept. & fire
victims)

Administrative Expenses



Analysis of Admin. Expenses

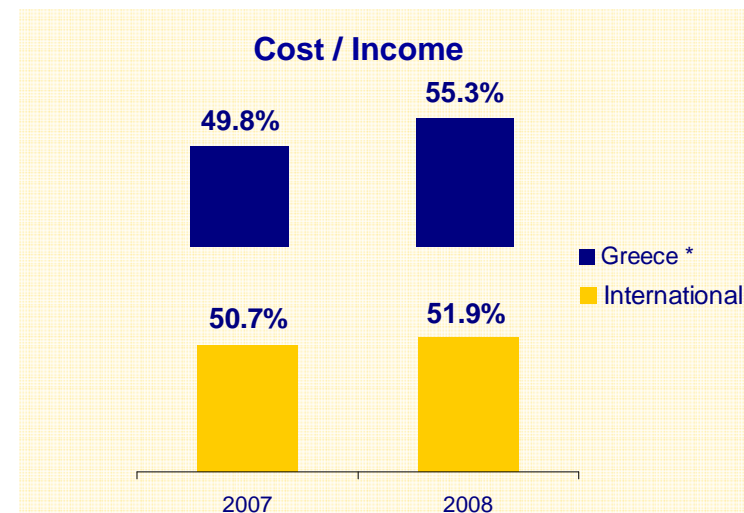
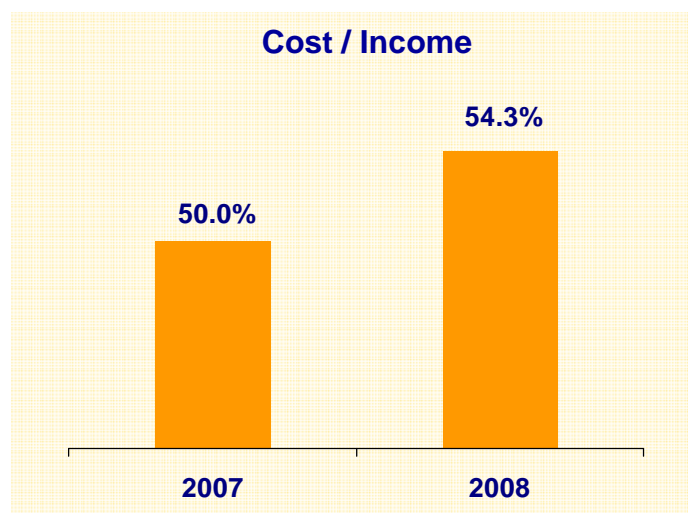
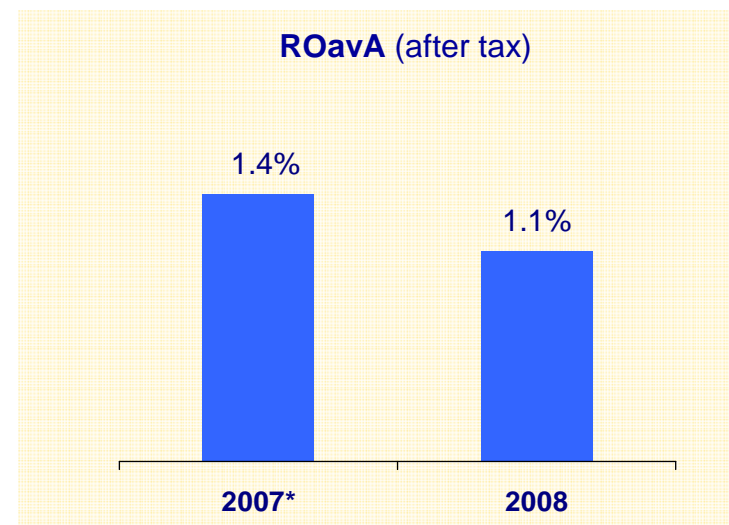
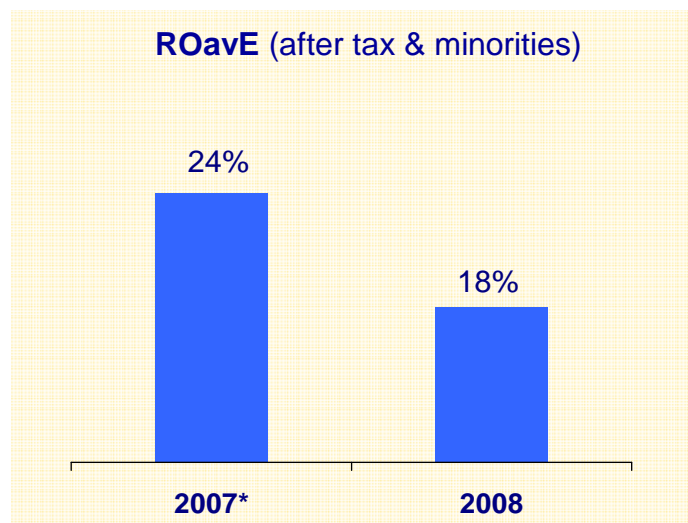


Consolidated Profit & Loss per Region

	GREECE			INTERNATIONAL		
(€ mn)	12M 2008	12M 2007 *	Δ%	12M 2008	12M 2007	Δ%
Net interest income	794.5	706.3	12%	365.2	210.7	73%
Net commission income	188.6	185.6	2%	53.0	40.8	30%
Other	184.2	273.2	-33%	66.1	57.1	16%
Total net revenues	1,167.3	1,165.2	0%	484.4	308.6	57%
Employee costs	326.0	305.4	7%	116.1	73.6	58%
Other admin.expenses	276.5	233.5	18%	106.1	70.4	51%
Profit/ loss on sale of property	-4.1	-7.5	-46%	-0.9	-4.7	-81%
Depreciation	46.8	48.8	-4%	30.1	17.2	75%
Operating cost	645.2	580.2	11%	251.4	156.6	61%
Impairment losses on loans	101.2	76.3	33%	72.0	39.6	82%
Share of profit of associates	18.3	4.6	298%	0.6	0.3	74%
Profit before tax	439.2	513.3	-14%	161.6	112.8	43%
Income tax	37.5	75.4	-50%	17.0	18.7	-9%
Profit after tax	401.6	437.9	-8%	144.6	94.1	54%
Minority interest	15.0	14.9	0%	1.2	14.4	-91%
Net profit attr. to SHs before generic provisions	386.7	423.0	-9%	143.4	79.7	80%
Additional collective provisions	150.0			65.0		
Net profit attributable to SHs	236.7	423.0	-44%	78.4	79.7	-2%

Note: data of 2007 for Greece excluding the one-off trading gain

Profitability & Efficiency Ratios



* 2007 ratios excluding one-off gain, 2008 adjusted for additional collective provisions

Communication - Disclaimer

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