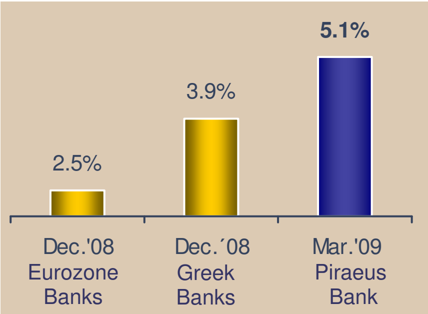
Emphasis on Asset Quality and Equity

"Asset quality, capital adequacy, high liquidity and significant cost containment were our key priorities during the first quarter of 2009, with the aim to further safeguard the Bank. Furthermore, emphasis was placed on servicing and supporting our customers. Our efforts rendered results.

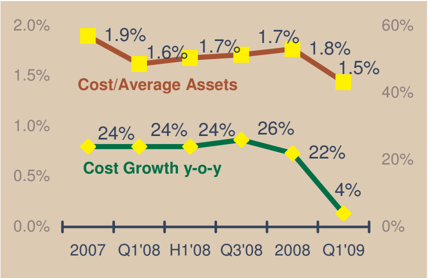
As the initial signs of regaining confidence to the global economy prevail, the money and capital markets are being gradually normalized and the interest rate levels are being rationalized. This allows us to estimate an improvement of profitability in the following quarters".

Michalis Sallas, Chairman of the Board of Directors

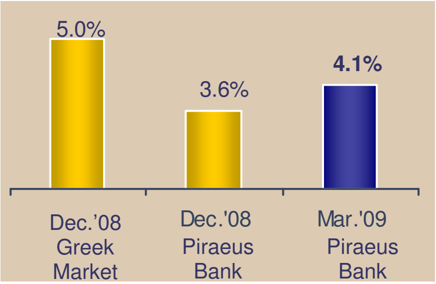
Tangible Equity/Tangible Assets



Operating Cost Evolution



NPLs >90 days IFRS 7



Q1 2009 PERFORMANCE HIGHLIGHTS

Results

- Pre-tax and provisions profit amounted to €149 mn compared to €219 mn in Q1 2008 due to the:
  - significant increase in time deposits' cost, which is however gradually de-escalating
  - lower revenues from real estate activities.
- Provision charges doubled compared to Q1'08 (€81 mn vs. €42 mn, corresponding to 83 bps on average loans vs. 52 bps in Q1'08)
- Net profit attributable to shareholders of €52 mn compared to €139 mn in Q1 '08.
- Net interest income of €255 mn vs. €266 in Q1 '08.
- Net interest income and commercial banking fees constitute 85% of total net revenues.
- Operating cost growth rate contained significantly to 4% y-o-y versus 24% in the respective quarter in 2008.

Volumes

- Total assets amounted to €54 bn, increased by 11% y-o-y.
- "Loans to deposits" ratio at 112%, adjusted for securitizations.
- Further enhancement of liquidity through two new loans securitizations (April '09: €725 mn consumer loans, May '09: €900 mn business loans).
- Non Performing Loans >180 days at 2.2% with provisions coverage ratio at 88%. Loans in arrears above >90 days (IFRS 7) at 4.1%, provisions' coverage ratio at 48%, while taking into account tangible collaterals, the coverage ratio reaches 107%.
- Capital Adequacy ratio at 10.0% (est.) with Tier I at 8.1% (est.), while adjusting for the share capital increase of €370 mn with the issuance of preference shares in favor of the Greek State, these ratios set at 10.9% and Tier I at 9.0%. The Group's total equity increased slightly compared to Dec.'08 at €3.1 bn.
- Tangible Equity to Tangible Assets ratio of 5.1%, one of the highest in Europe (Euro-area average at 2.5% at the end of 2008 - source IMF).

VOLUMES EVOLUTION

Deposits and retail bonds reached €31.0 bn at the end of March 2009, increased by 14% y-o-y, leading to an improved “loans / deposits” ratio (adjusted for securitizations) of 112% compared to 117% a year ago.

- In Greece, deposits amounted to €26.2 bn strengthened by 13% y-o-y versus 10% growth in the Greek market.
- Deposits from international operations recorded an increase of 22% and reached €4.8 bn.

KEY FIGURES (mn €) & RATIOS	Mar.'09	Mar.'08	Δ% y-o-y
Assets	**53,757**	**48,547**	**+11%**
Loans	**38,575**	**33,736**	**+14%**
> medium-small enterprises	18,569	15,566	+19%
> large enterprises	8,285	7,436	+11%
> mortgages	6,609	6,076	+9%
> consumer	5,112	4,659	+10%
Deposits & Retail Bonds	**31,023**	**27,231**	**+14%**
> savings-sight	8,068	9,090	-11%
> term	22,955	18,141	+27%
Total Equity	**3,058**	**3,314**	**-8%**
• **Loans/ deposits,** *adjusted for securitizations*	112%	117%	
• **Non Performing Loans (>180 days)**	2.2%	1.8%	
• **Loans in arrears > 90 days (IFRS 7)**	4.1%	3.3%	
• **Capital adequacy ratio Basel II**	10.0% (est.)	10.7%	

The annual growth rate of loans reached +14%, with the outstanding loans balance at €38.6 bn at the end of March 2009**.** The loan growth rate reflects both the continuous focus on the Group’s customers, as well as the prevailing conditions in the deposits’ market.

Loan portfolio of Piraeus Bank and its subsidiaries in Greece grew by 11% y-o-y in line with the respective rate in the Greek market, with the balance reaching €29.7 bn. In the first quarter of 2009, the Bank’s disbursements reached €2.1 bn. Piraeus Bank’s loans to foreign companies, mainly to firms of Greek and EU interests, amounted to €2.8 bn.

- Loans from international subsidiaries increased by 22% reaching €6.2 bn
- Per customer segment, at the end of March 2009 :
  - ✓ loans to SMEs and large enterprises increased by 19% and 11% y-o-y respectively,
  - ✓ loans to individuals recorded an increase of 9% y-o-y (mortgages 9%, consumer loans 10%)
  - ✓ loans to medium and small businesses comprised 48% of total loans, loans to individuals 30% and loans to large enterprises 22%.

VOLUMES PER REGION	Mar.'09	Mar.'08	Δ% y-o-y
LOANS	**38,575**	**33,736**	**+14%**
> Greece	29,652	26,619	+11%
> from Piraeus Bank to firms abroad (mainly to firms of Greek & EU interests)	2,759	2,070	+33%
Piraeus Bank & Subsidiaries in Greece	32,411	28,689	+13%
International subsidiaries	6,164	5,047	+22%
DEPOSITS	**31,023**	**27,231**	**+14%**
Greece	26,212	23,276	+13%
International subsidiaries	4,811	3,956	+22%

Qualitative Characteristics of Loan Portfolio

Despite the deceleration of loan growth, the Group's asset quality ratios are maintained at a satisfactory level. **Non Performing Loans (>180 days) ratio** was set at 2.2% vs. 1.9% at the end of the previous year. These loans are covered by provisions at 88% as of March 2009. **Loans in arrears more than 90 days** (IFRS-7) over total loans stood at 4.1% in March '09. It is noted that the above ratio was the highest among Greek peers (Dec. 2008: average 5.0% -source BoG, Piraeus Group at 3.6%).

The coverage ratio of loans in arrears above > 90 days over cumulative provisions stood at 48% vs. 41% a year ago, compared to the respective ratio of the Greek market of 49% (Dec. 2008 - Bank of Greece). When tangible collaterals are taking into account, the coverage ratio equals 107%.

Equity - Capital Adequacy

The **Group's total equity** amounted to €3.1 bn, recording a slight increase compared to December 2008 despite the unfavourable market conditions.

The **capital adequacy ratio**, including Q1 2009 profit, stands at 10.0% (est) with Tier I at 8.1% (est). Following the completion of the share capital increase of €370 mn in the form of preferred shares in favor of the Greek State, the CAD ratio stands at 10.9% and Tier I at 8.9%. The Group's total regulatory capital was €3.7 bn on 31.03.2009. It is noted that **core Tier I ratio of 7.5%** (not taking into account hybrid capital and preference shares)**, as well as the Tangible Equity / Tangible Assets ratio of 5.1% are the highest in the Greek market** (estimation based on data of 31.12.08) and among the highest in the European market, demonstrating the quality and soundness of the Group's capital base.

PROFIT & LOSS EVOLUTION

Pre tax & provisions profit for Q1 2009 amounted to €149 mn vs. €219 mn in Q1 2008. The Q1 2009 profits were burdened by €81 mn of provisions, which were double compared to those formulated in Q1 2008, reflecting the Bank's policy to adjust to the economic environment. Hence, Q1 2009 net profit attributable to shareholders amounted to €52 mn vs. €139 mn in Q1 2008, while an improvement is expected in the following quarters from the smoothing of the cost of deposits and the enhancement of business activities.

GROUP REVENUE ANALYSIS

Total **net revenues** for Q1 2009 amounted to €347 mn, out of which:

- **net interest income** reached €255 mn (-4% y-o-y), positively impacted by the loans' repricing, which however was more than offset by the significant increase in the cost of deposits that burdened net interest income in Q1 2009.
- **net commissions** amounted to €50 mn (-19% y-o-y), affected mainly by reduced business volumes (loans applications by individuals decreased by 40% in Q1 2009 vs. Q1 2008).
- **net interest and net commercial banking fee income** constituted 85% of net revenues versus 77% a year ago.
- **other operating income** was €28 mn, out of which 68% came from financial sector subsidiaries (including operating leasing business), 26% was from real estate subsidiaries, and 6% from other Group's business operations. The reduction in other operating income is mainly attributed to the real estate activities and also reflects the deterioration in the economic activity.
- **cost to income** was set at 57% versus 47% in Q1 2008, while cost to average assets ratio improved to 1.5% vs. 1.6% a year ago.

ANALYSIS OF FEES & OTHER OPERATING INCOME (€ mn)	Q1 '09	Q1 '08	Δ
Net fee & commission income	**50.0**	**61.5**	**-19%**
> commercial banking	41.1	50.2	-18%
> investment banking	7.4	8.3	-11%
> asset management	1.5	3.0	-50%
Other operating income	**28.4**	**56.8**	**-50%**
> financial sector subsidiaries	19.2	29.8	-35%
> real estate subsidiaries	7.4	24.5	-70%
> other subsidiaries	1.8	2.5	-29%

It is noted that 70% of the Group's **branches** (36% in Greece and 92% abroad) are less than 5 years in operation, indicating the significant potential for volumes' and revenues' strengthening, as branches will gradually "mature".

Branch Network	Operating up to 1 year	Operating 2-3 years	Operating 4-5 years	Operating > 5 years	Total 31.03.09
Greece	36	47	47	228	358
Abroad	84	277	142	41	544
Total	**120**	**324**	**189**	**269**	**902**

CONSOLIDATED INCOME STATEMENT (€ mn)	Q1 '09	Q1 '08	Δ y-o-y
Net Interest Income	255.3	266.4	-4%
Net fee and commission income	50.0	61.5	-19%
Dividend income	1.1	1.6	-31%
Net trading income & Gains less losses from invest. securities	12.1	24.5	-51%
Other operating income	28.4	56.8	-50%
Total Net Revenues	**346.8**	**410.7**	**-16%**
Greek Operations	214.7	299.8	-28%
International Operations	132.1	111.0	+19%
Staff costs	104.2	102.9	+1%
Administrative expenses	74.3	71.6	+4%
Depreciation	21.9	20.5	+7%
(Profit) / loss on sale of property and equipment	(1.0)	(2.6)	-60%
Operating Cost	**199.3**	**192.4**	**+4%**
Greek Operations	133.0	135.8	-2%
International Operations	66.4	56.6	+17%
Share of profit of associates	1.1	0.8	+42%
Profit before tax and provisions	**148.6**	**219.1**	**-32%**
Impairment losses on loans and receivables	**80.8**	**41.6**	**+94%**
Greek Operations	42.0	26.2	+60%
International Operations	38.8	15.5	+151%
Profit before tax	**67.8**	**177.5**	**-62%**
Tax	15.3	35.1	-56%
Minority interests	0.6	3.8	-83%
Net Profit attributable to Shareholders	**51.8**	**138.5**	**-63%**
Greek Operations	30.2	104.6	-71%
International Operations	21.7	34.0	-36%

GROUP COST ANALYSIS

Operating cost in Greece decreased by 2% y-o-y, while the cost of international operations decelerated substantially posting an increase of 17% y-o-y. The significant containment of cost is attributed to a sequence of initiatives (expenses evaluation from a zero basis, centralizations, etc), in line with the Group's objective to contain the current year expenses at the 2008 level. This containment is even more significant if the fact that during the last 12 months 120 new branches were added to the Group (36 in Greece and 84 abroad) is taken into account. The number of employees reached 13,935, decreased by 441 people, compared to September 2008 (191 in Greece and 250 abroad), mainly due to retirements and voluntary exits.

ANALYSIS OF GROUP OPERATING COST (€ mn)	Q1 '09	Q1 '08	Δ
Greece on a comparable basis	130.6	135.8	-4%
- New branches of the last 12 months in Greece	2.4	-	-
International operations on a comparable basis	57.5	56.6	+2%
- New branches of the last 12 months abroad	8.9	-	-
Total Group operating cost on a comparable basis	**188.1**	**192.4**	**-2%**
Total Group operating cost	199.3	192.4	+4%

More specifically, the cost evolution was as follows:

- **staff expenses** in Greece amounted to €75.0 mn in Q1 2009, recording a decrease of 1% y-o-y, while foreign operations were up by 8%, at €29.2 mn as a result of the increase in personnel, necessary to staff the branches of the network expansion, which took place over the last 12 months.

ANALYSIS OF GROUP STAFF EXPENSES (€ mn)	Q1 '09	Q1 '08	Δ
Greece	75.0	75.9	-1%
International Operations	29.2	27.0	+8%
Group Staff expenses	**104.2**	**102.9**	**+1%**

- **general administrative expenses** in Greece reached €47.7 mn in Q1 2009 at the same level as in Q1 2008 (€47.8 mn), while expenses abroad increased by 12% (at €26,6 mn).

ANALYSIS OF GROUP ADMINISTRATIVE COSTS (€ mn)	Q1 '09	Q1 '08	Δ
Greece	47.7	47.8	0%
International Operations	26.6	23.8	+12%
Group administrative costs on a comparable basis	**74.3**	**71.6**	**+4%**

Impairment losses on loans and receivables were €81 mn in Q1 2009, compared to €42mn in Q1 2008. The provision charges on average loans amounted to 83 bps (56 bps in Greece and 174 bps abroad) compared to 52 bps in Q1 2008.

RECENT DEVELOPMENTS

The Ordinary General Meeting of the Shareholders, which was held on 30.04.2009, approved the distribution of dividend to the Shareholders in the form of Bank shares, namely one new common share for every 47 old shares. This distribution corresponds to a net dividend value of € 0.10 per share and the issuance of 6,728,991 new shares.

On 30.04.09 the first asset backed issuance for Piraeus Bank's consumer loans of €725 mn was completed, while on 07.05.09 the second securitization of business loans of €900mn was completed.

On May 14th 2009 the agreement was signed by which the Greek State acquired the Bank's preference shares of value €370 mn within the framework of L.3723/2008 for the enhancement of the Greek economy's liquidity.

Athens, May 20th 2009