



# FY 2010 Financial Results



UNEP Finance Initiative  
Innovative financing for sustainability



INVESTORS  
IN PEOPLE

24 March 2011



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**Highlights**

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FY 2010 Financial Performance

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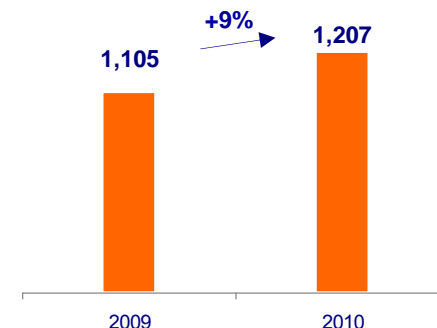
Appendix

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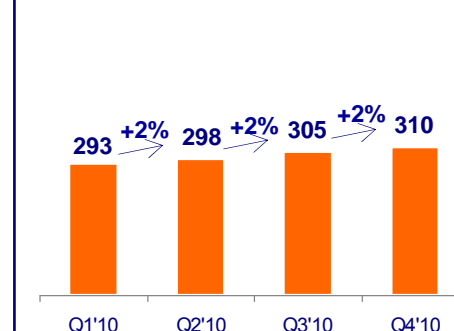
## 2010 Performance Highlights

- ✚ Net interest income **+9%** y-o-y, **+2%** q-o-q
  - ✦ Greece **+10%** y-o-y, international **+7%** y-o-y
- ✚ Net fee income **-3%** y-o-y, **+7%** q-o-q
  - ✦ Greece **-7%** y-o-y, international **+9%** y-o-y
  - ✦ commercial banking fees **+4%** y-o-y
- ✚ Operating cost **-1%** y-o-y
  - ✦ **-4%** in Greece y-o-y for 2<sup>nd</sup> consecutive year
- ✚ Core pre provision income (excl. trading) **+2%** y-o-y
- ✚ Deposits **-2%** y-o-y
  - ✦ Greece **-6%** y-o-y, international **+16%** y-o-y
  - ✦ reduction of parent funding to foreign subsidiaries by **€0.6 bn**
- ✚ Loans to deposits at **107%**, stable y-o-y
- ✚ Q4 NPL formation **+€330 mn** at Q3 level (+€323 mn)
- ✚ NPL ratio at **7.6%** (Sept.'10: 6.8%)
- ✚ Q4 cost of risk **186 bps** (Q3: 152 bps)
  - ✦ FY'10 at **155 bps**
- ✚ Coverage at **48.4%** stable vs. Sept.'10 (48.5%)

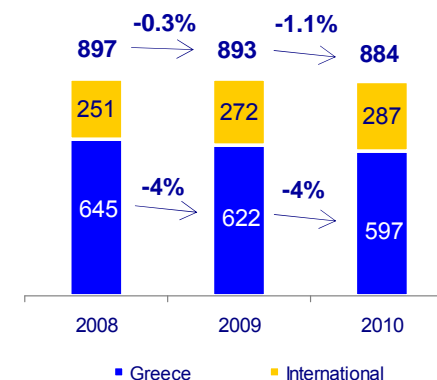
**Net Interest Income y-o-y (€ mn)**



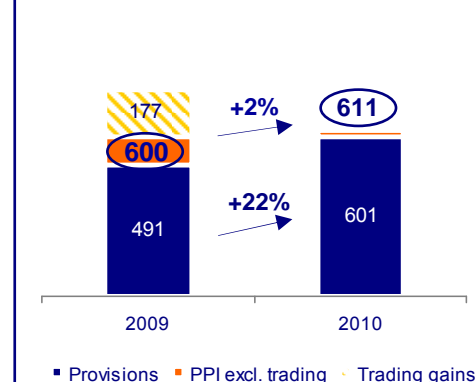
**Net Interest Income q-o-q (€ mn)**



**Operating Cost y-o-y (€ mn)**



**Pre Provision Income y-o-y (€ mn)**



## Key Financial Drivers

- Resilient core pre-provision income, mainly driven by net interest income increase and cost containment
  - ✦ NIM improvement y-o-y to **2.7%** (2009: 2.6%)
  - ✦ Q4: Piraeus best quarter ever for NII at **€310 mn**
- Zero trading gains and marginal other operating income from real estate in 2010 due to market conditions
- **Cost cutting efforts continue: 2011 target -5% y-o-y**
- Increased cost of risk in Q4 due to deepening of recession in Greece and elevated business NPL formation in certain countries abroad
- Group deposits flat in Q4, both in Greece and abroad
- International L/D improved to **140%** (2009: 171%)
- Capital adequacy strengthened by approximately **200 bps** after the **€0.8 bn** rights issue in Jan.2011

in € mn	FY '10	y-o-y	Q4 '10	q-o-q
Net Interest Income	1,207	9%	310	2%
Net Fee Income	199	-3%	51	7%
Net Revenues	1,499	-10%	403	10%
Revenues excl. Trading	1,499	1%	373	0%
Operating Cost	884	-1%	248	14%
Pre Provision Income (PPI)	611	-21%	151	1%
PPI excl. Trading	611	2%	121	-23%
Provision Expense	601	22%	182	21%
Pre-tax Profit	11	-96%	-32	>-100%
Net Profit excl. One-off Tax *	4	-98%	-35	>-100 %

in € mn	Dec.'10	y-o-y	Sep.'10	q-o-q
Total Assets	57,683	6%	57,559	0%
Net Loans	37,638	0%	37,960	-1%
Deposits	29,995	-2%	30,027	0%
Loans in Arrears (%)	7.6%	+2.5 pp	6.8%	+0.8 pp
Coverage of Arrears (%)	48.4%	-2.2 pp	48.5%	-0.1 pp

in € mn	Dec.'10	y-o-y	Sep.'10	q-o-q
Shareholders' Funds**	3,525	14%	2,863	23%
Total Equity **	4,032	12%	3,362	20%
Total Regulatory Capital**	4,284	16%	3,642	18%

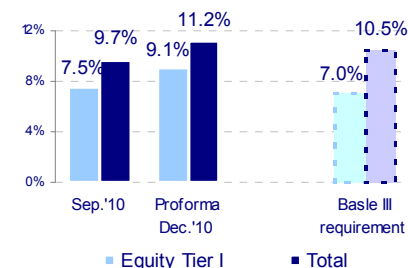
\* €24.3 mn one-off tax for 2009 Greek profitability

\*\* Dec.'10 data pro-forma for the €0.8 bn rights issue that was successfully completed in Jan.'11 (capital increase net of fees at €756 mn)

## Capital Adequacy

- Capital ratios post rights issue position Piraeus Bank among the best capitalised banks in Greece, providing additional buffer in current environment
- Resilience of regulatory capital over the last 3 years of adverse economic conditions
- No current plan to repay state prefs, post rights issue flexibility to repay in the future
- Immaterial Basle III impact on capital ratios

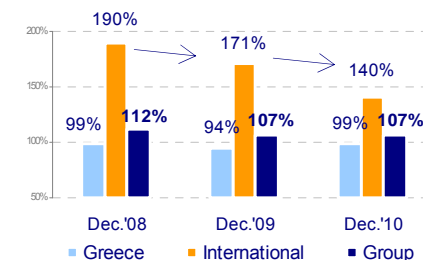
## Capital Adequacy (%)



## Liquidity

- Focus on loan deleveraging in Greece at selected customer segments, along with the anticipated market trend
- International funding reliance from parent to be further reduced
- Continued initiatives to enhance Group liquidity position (covered bonds issue, ECB eligible loans etc.)

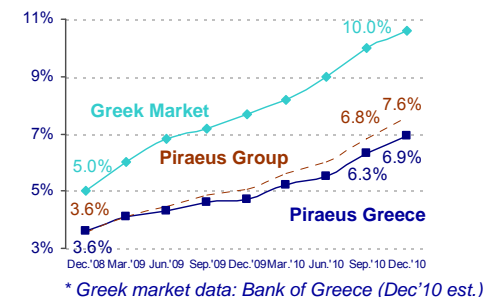
## Loans / Deposits (%)



## Asset Quality

- Greek banks NPLs formation is expected to start declining as soon as GDP gradually starts recovering (Q4'11)
- International NPLs at stabilising trend in 2011 as SEE economies recover
- Expected NPLs ratio peak in mid 2012

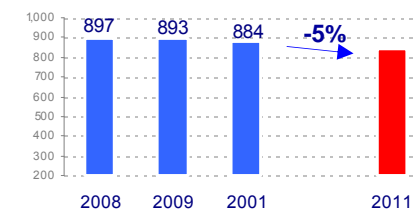
## NPLs 90d + (%)



## Operating Efficiency

- Target for 5% operating cost reduction in 2011
- Re-examining of all expenses lines, contractual terms with suppliers
- E-banking platform and IT contributes to cost efficiency via centralisations
- Re-organisation of subsidiaries, operational rationalisation

## OPEX (€ mn)





A

Highlights

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**FY 2010 Financial Performance**

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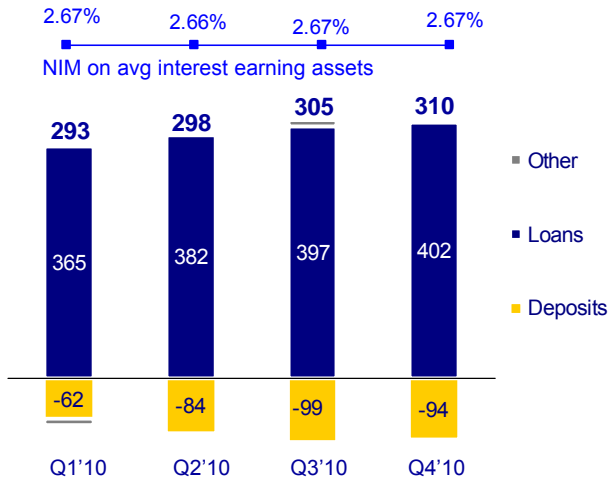
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Appendix

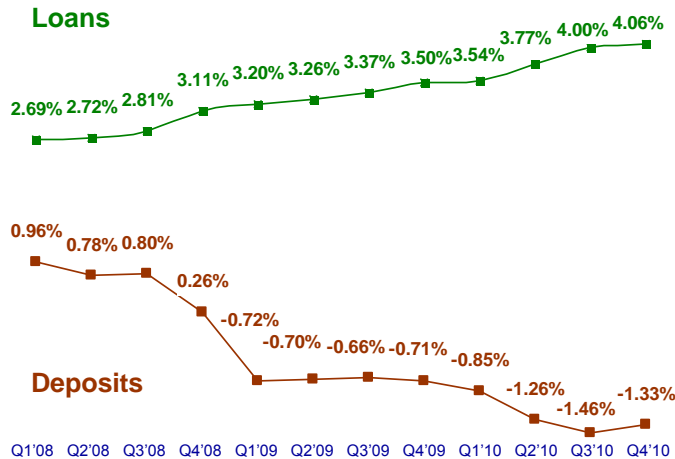
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# Net interest income - Greek spreads

**Group NII q-o-q (€ mn) - NIM (%)**



**Piraeus Bank Greek Spreads q-o-q (%)**



**Group NII per Region y-o-y (€ mn)**



**Piraeus Bank Greek Loan Spreads y-o-y (%)**

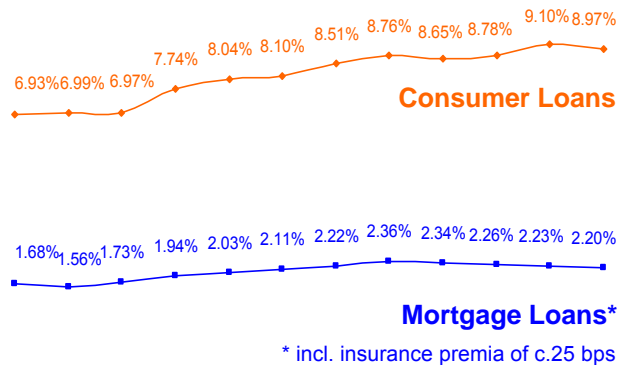
Yearly average

LOANS	2009	2010	Δ
Mortgages	2.18%	2.26%	+0.08%
Consumer loans	8.35%	8.87%	+0.52%
Loans to SMEs	3.44%	4.16%	+0.72%
Corporate loans	1.82%	2.53%	+0.71%
<b>Total</b>	<b>3.33%</b>	<b>3.84%</b>	<b>+0.51%</b>

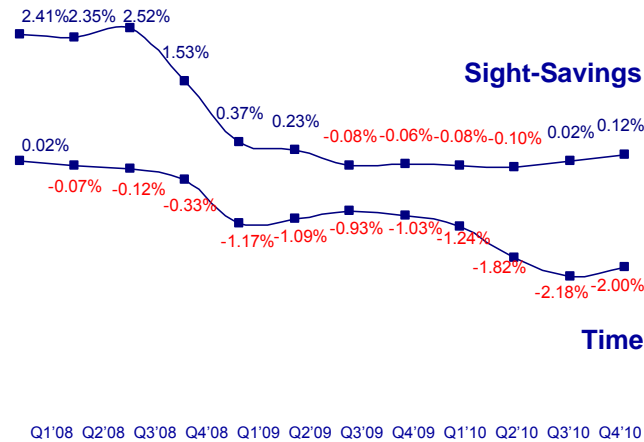
- Stable NIM throughout 2010 despite high deposit cost
- Healthy growth of NII y-o-y both in Greece and abroad
- Total loan spread in Greece up 51 bps in FY 2010
- Slight improvement of negative deposit spread in Q4 related to ease of market pressure and euribor increase

Spreads at parent level data vs. euribor benchmark

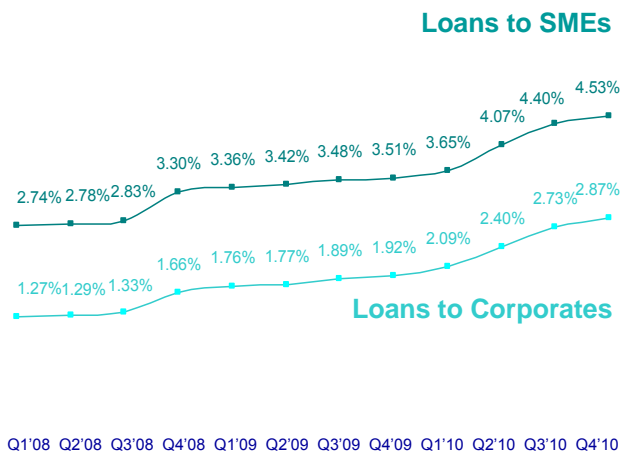
## Piraeus Greek Retail Loan Spreads q-o-q (%)



## Piraeus Bank Greek Deposit Spreads q-o-q (%)



## Piraeus Greek Business Loan Spreads q-o-q (%)



## Piraeus Bank Greek Deposit Spreads y-o-y (%)

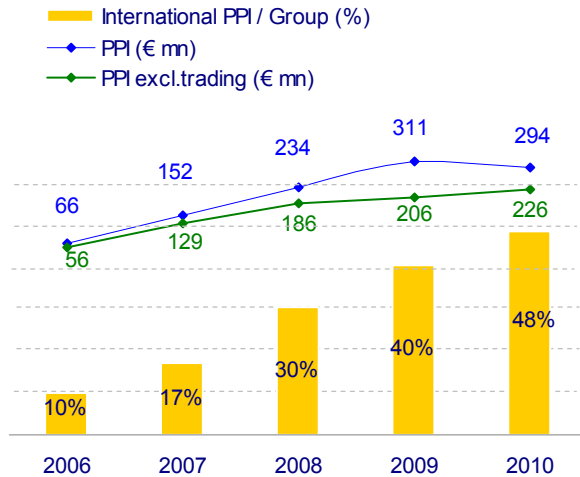
Yearly average

DEPOSITS	2009	2010	Δ
Sight-Savings	0.10%	-0.01%	-0.11%
Time deposits	-1.05%	-1.81%	-0.76%
Total	-0.70%	-1.22%	-0.52%

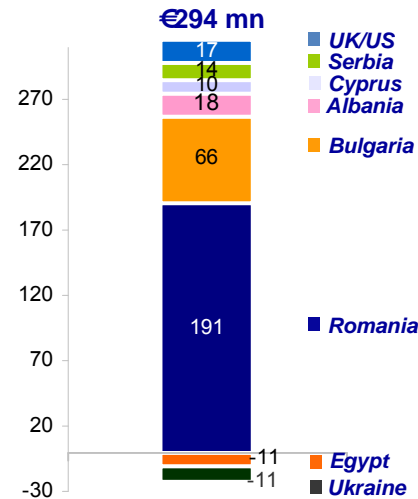
- Core deposits spread up due to euribor increase
- New time deposits spreads slight improvement
- Retail loan spreads in Greece essentially flat
  - new mortgage spread at 350 bps
- Business loan spreads in Greece continue to rise

Spreads at parent level data vs. euribor benchmark

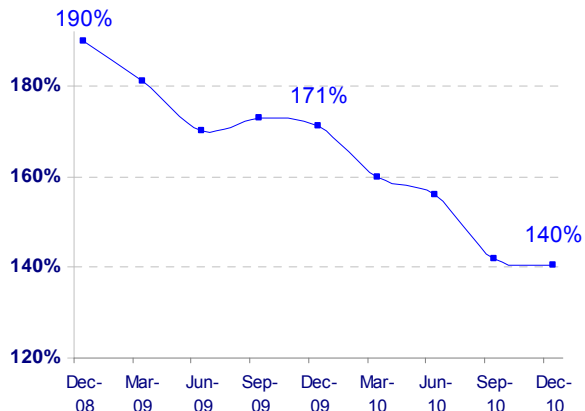
**International PPI Contribution to Group (%)**



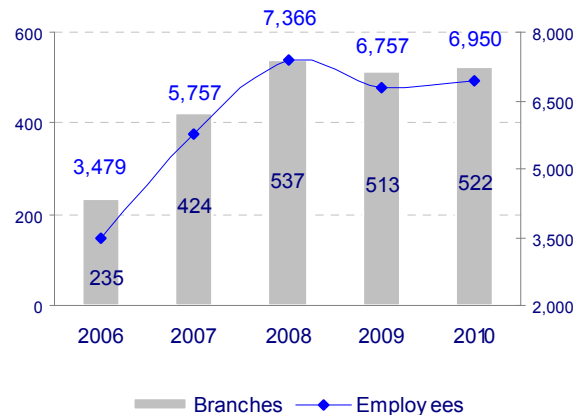
**2010 Pre Provision Income per Country (%)**



**International Loans / Deposits Ratio (%)**

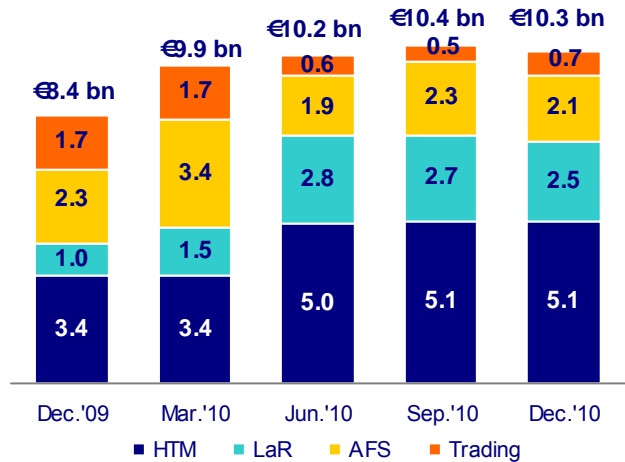


**International Footprint (#)**



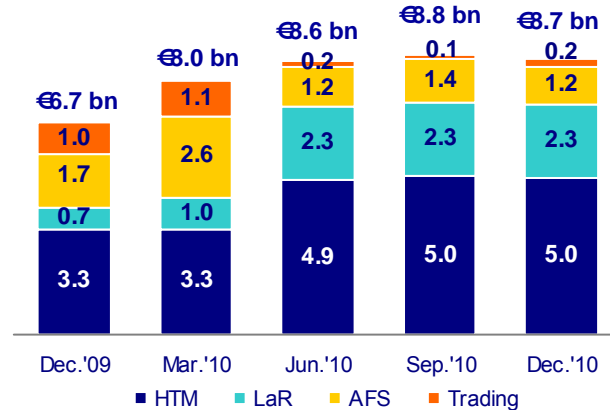
- €7.9 bn net loans and €5.6 bn deposits from international operations
- 37% contribution to Group NII
- 48% contribution to Group PPI
- SEE region where Piraeus Group operates is expected to have positive and accelerated real GDP growth in 2011 (1.5% to 5.0%)

**Total Securities Portfolio Breakdown (€ bn)**

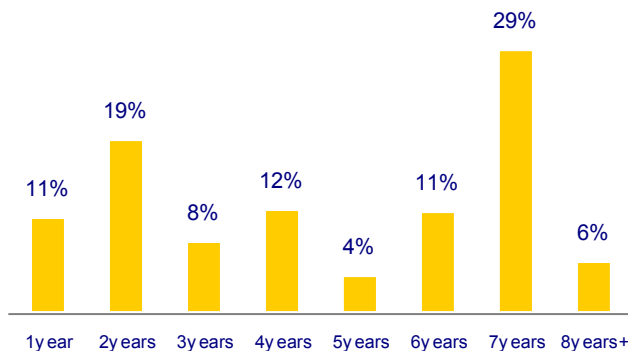


**GGB Portfolio Breakdown (€ bn)**

Long bond position only



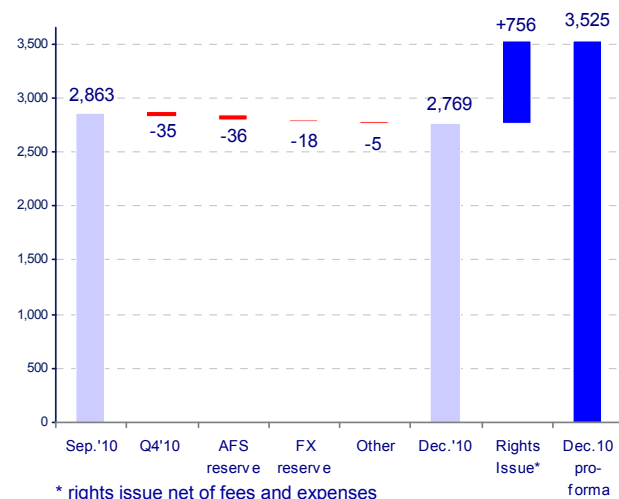
**Piraeus GGB Portfolio Maturity Profile (%)**



- Average duration of GGB portfolio 4.1 years
- App. 35% of Piraeus GGBs mature within the duration of the Support Program (mid 2013)
  - ✧ almost 1/3 of HtM and LaR GGB portfolios mature by 2013
  - ✧ almost 3/4 of the AFS GGB portfolio matures in the same period

- ✧ GGB market activity has been hovering around historic lows in the secondary market
- ✧ Primary market activity has been limited to the issuance of short dated T-bills
- ✧ Spreads remain highly volatile
- ✧ The entire GGB portfolio is eligible for ECB refinancing
- ✧ GGB holdings in investment portfolios have been largely unchanged q-o-q

## Shareholders Funds Evolution (€ mn)



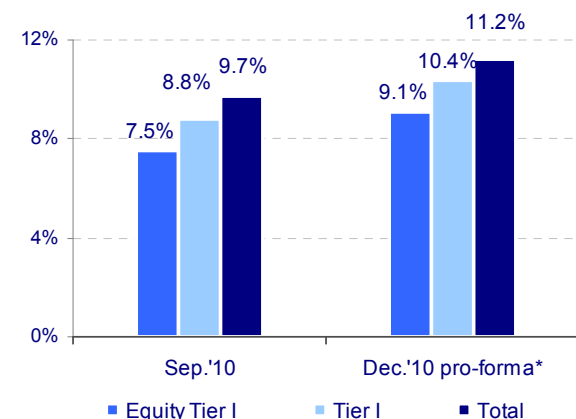
## Capital Adequacy Data (€ bn)

	Dec.'10	Dec.'10 proforma*
Equity Tier I	2.7	3.5
Core Tier I **	2.9	3.6
Tier I	3.2	4.0
Tier I + Tier II	3.5	4.3
Risk Weighted Assets	38.1	38.1

\* pro-forma for Jan.'11 €807 mn rights issue completed after deduction of fees and expenses (€51 mn)

\*\* deducting intangibles from hybrid

## Piraeus Capital Adequacy Ratios (%)



## Piraeus Bank Rights Issue

### Rationale

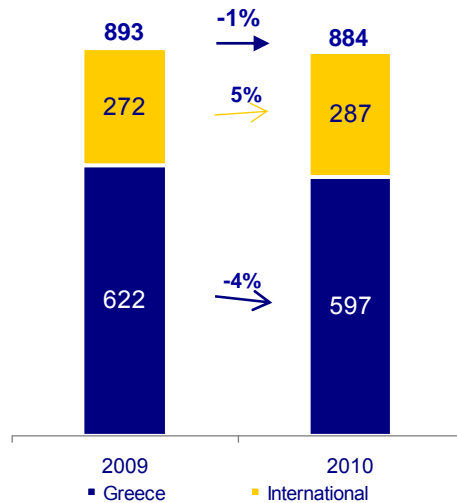
- Enhancement of Piraeus' capital adequacy ratios in light of stricter regulatory framework & investor expectations
- Strengthening of Piraeus' position in the face of continuing macroeconomic challenges in Greece
- Creation of strong position from which to pursue attractive organic growth opportunities in SEE region

### Transaction Results

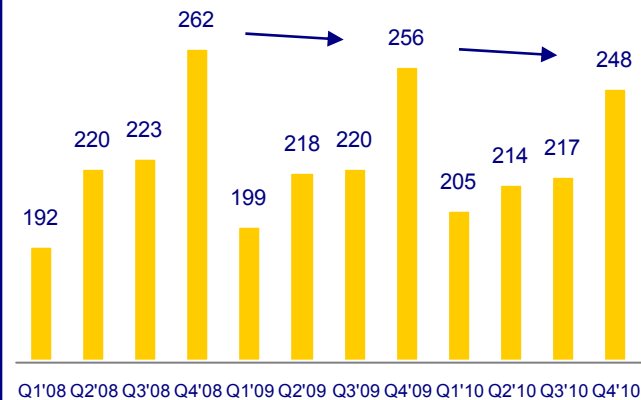
- Existing shareholders subscribed for 97% of total share capital increase
- Waiver of pre-emptive rights by the Hellenic Republic in respect of the remaining 3% of shares, which were allocated pro-rata to oversubscription demand and were 11.3x covered

- Very successful capital increase in early 2011 despite market turbulence
- Pro-forma capital ratios position Piraeus Bank among the best capitalised banks in Greece

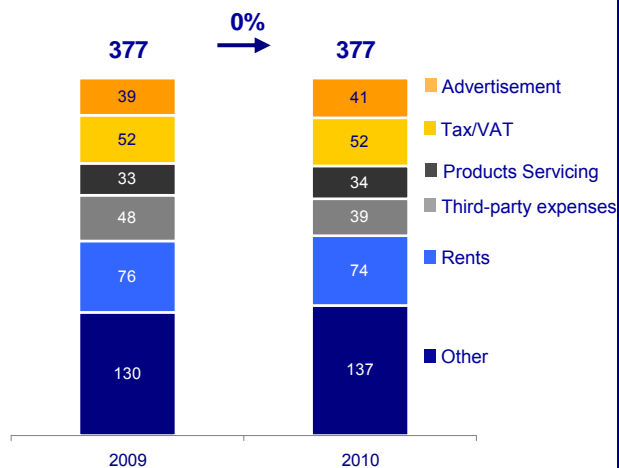
**Operating Cost y-o-y (€ mn)**



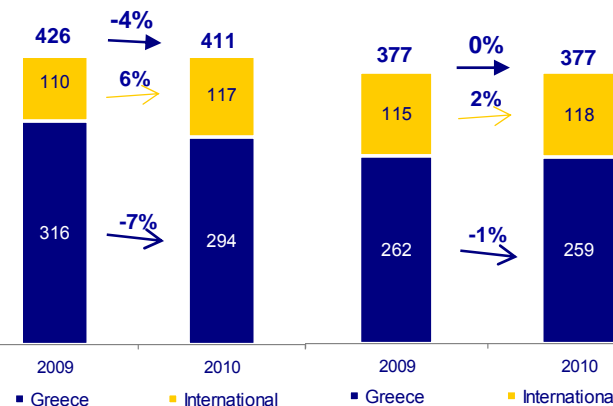
**Operating Cost q-o-q (€ mn)**



**Administrative Costs y-o-y (€ mn)**

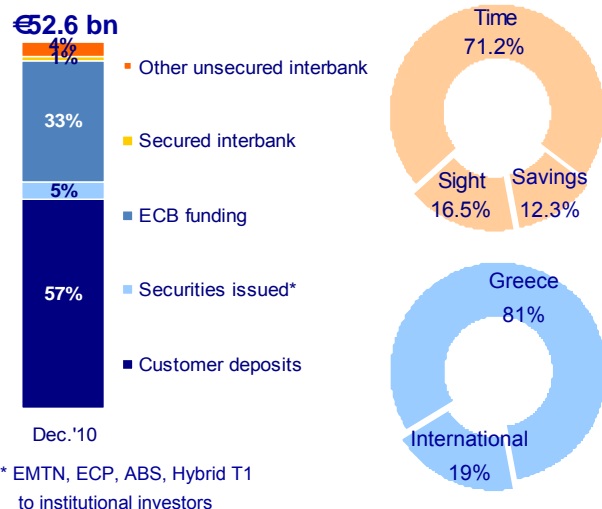


**Staff Cost y-o-y (€ mn) Admin. Costs y-o-y (€ mn)**

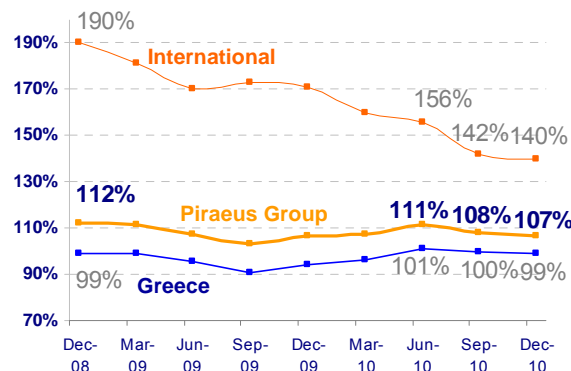


- Operating cost down 1% y-o-y, with Greek OPEX down 4% for 2<sup>nd</sup> consecutive year
- Administrative expenses flat y-o-y
- Staff costs down 4% y-o-y for 2<sup>nd</sup> consecutive year; Greek staff costs down 7% in 2010, after a 3% decrease in 2009
- Target for FY'11 total operating cost to be lower by 5% vs. €884 mn in FY'10

## Piraeus Funding & Deposit Mix (%)

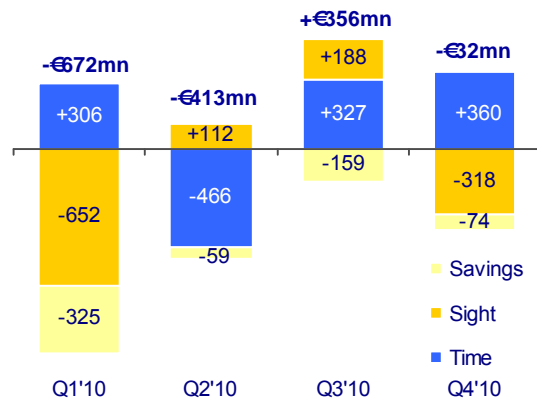


## Piraeus Loans / Deposits (%)

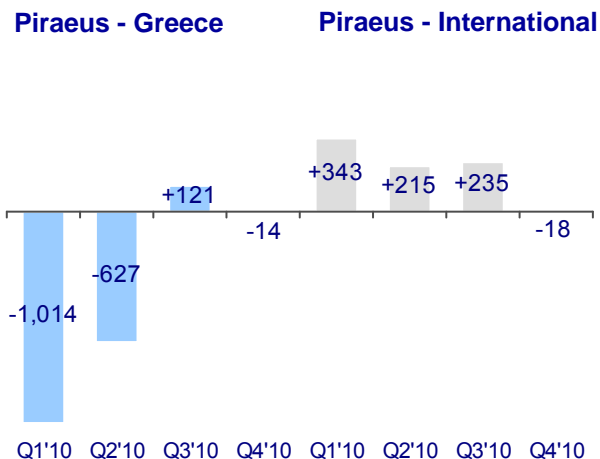


\* Greek and Group ratios adjusted for self-funded loans (mainly ABSs) of €5.6 bn

## Deposit Delta per Product (€ mn)

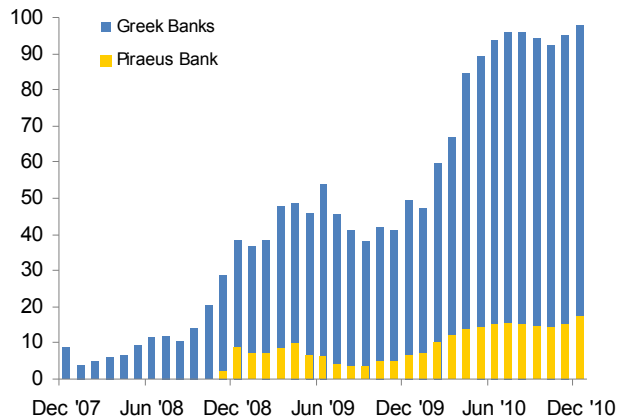


## Deposit Delta per Region (€ mn)

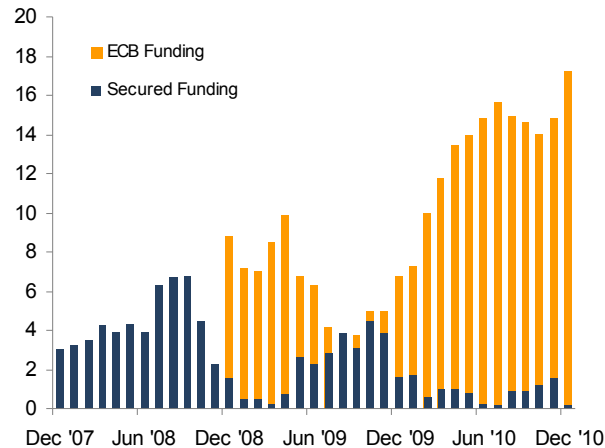


- Domestic deposit market outflows eased in H2'10, resulting in slight improvement in deposit cost in Q4
- Market remains difficult due to economic recession in Greece
- Piraeus Group had a flat Q4 in deposit balances
- Domestic portfolio down 6% y-o-y, better than Greek market (-10%)
- International portfolio +16% y-o-y, improving funding gap by more than 30 percentage points

## ECB Funding: Greek Banks - Piraeus (€ bn)



## Piraeus' Secured Funding (€ bn)



## Piraeus ECB Collateral Pool (€ bn)

Face values	Dec.'10
Greek Government Bonds	8.7
Retained ABSs (Class A)	5.2
State Program Bonds (Pillars II, III)	9.8
ECB eligible loans	1.9
Other (Corporates and Financials)	0.8
<b>Total *</b>	<b>26.4</b>

\* all types of collaterals are subject to haircuts

## The Hellenic Republic Support Scheme (€ mn)

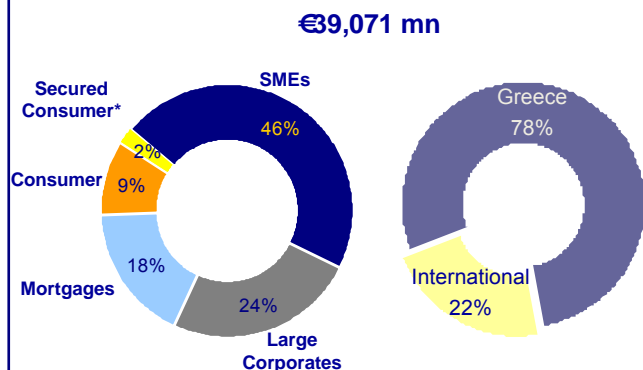
	Dec.'10
Pillar I - preference shares	370
Pillar II - state guarantee bonds *	8,149
Pillar III - special bonds	1,289
<b>Total</b>	<b>9,808</b>

\* €950 mn allocated to Piraeus Bank in mid Feb.'11 along with other Greek banks

Further expansion of Pillar II by €30 bn is expected to be allocated to Greek banks

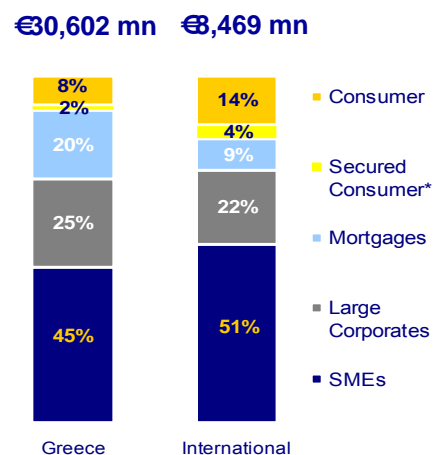
- ✦ Piraeus €17.2 bn ECB funding (Dec'10), flat in Q1'11
- ✦ Steady progress in eligible non-marketable securities
- ✦ Available liquidity further improved by €1.25 bn covered bond issue
- ✦ Limited senior debt redemptions:
  - 2011 €1,200 mn
  - 2012 €500 mn

## Piraeus Loan Mix (%)



\* home equity, yacht & sail financing, auto loans

## Piraeus Product Mix per Region (%)



\* home equity, yacht & sail financing, auto loans

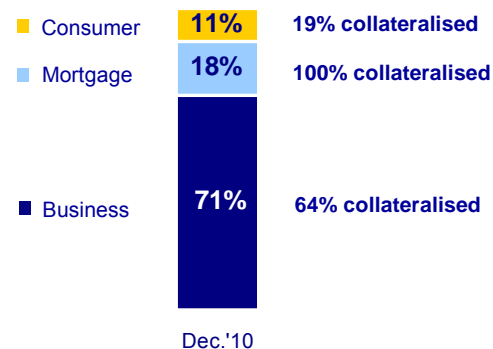
## Loans per Sector (%)

	Dec.'09	Sep.10	Dec.10
Loans to Individuals	30.0%	30.2%	29.2%
Manufacturing & Handicraft	12.4%	12.6%	12.5%
Trade	11.7%	11.1%	11.2%
Construction	8.4%	7.8%	7.8%
Real Estate	5.2%	5.4%	5.8%
Hotels	4.5%	4.3%	4.4%
Project Finance	4.1%	4.2%	4.3%
Shipping	4.3%	3.5%	3.6%
Transport & Logistics	2.3%	3.2%	2.9%
Financials	3.0%	2.2%	2.1%
Public Sector	1.8%	1.9%	1.9%
Agriculture	1.3%	1.2%	1.2%
Green Financing	1.0%	1.1%	1.4%
Energy	0.5%	0.5%	0.3%
Other*	9.5%	10.7%	11.4%

\* health, education, fishery, mines etc

## Collateralisation of Loan Portfolio

Piraeus Group is mainly a business lender  
with well-diversified portfolio;  
65% of total book with tangible collaterals



High collateralised loan book

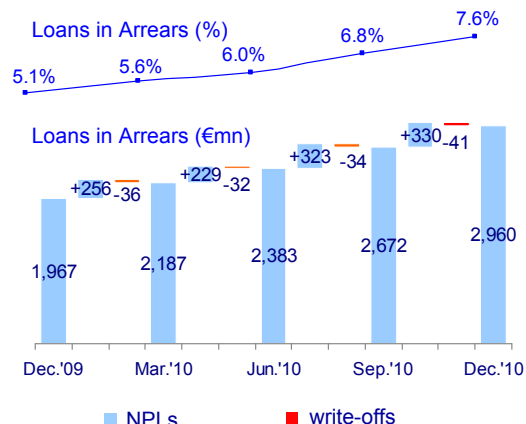
- 2/3 with tangible collaterals

Net loans -€0.3 bn q-o-q in Q4

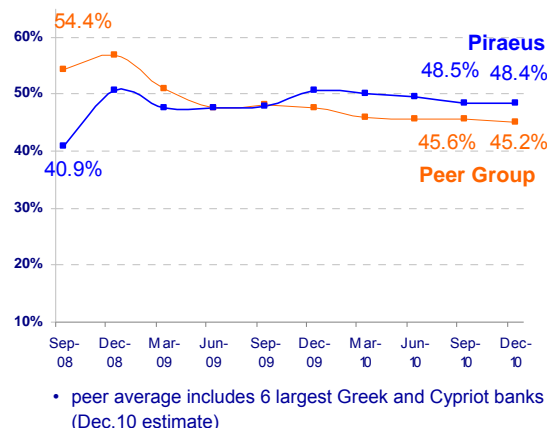
Steady increase in green financing loan balances

- €0.5 bn at the end of 2010

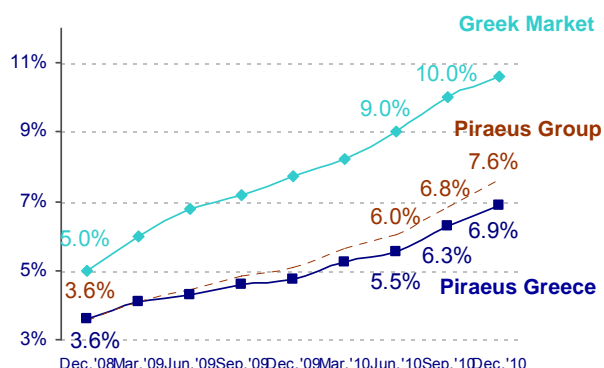
## NPLs 90d+ Evolution (%)



## Piraeus Coverage vs. Peer Group\* (%)

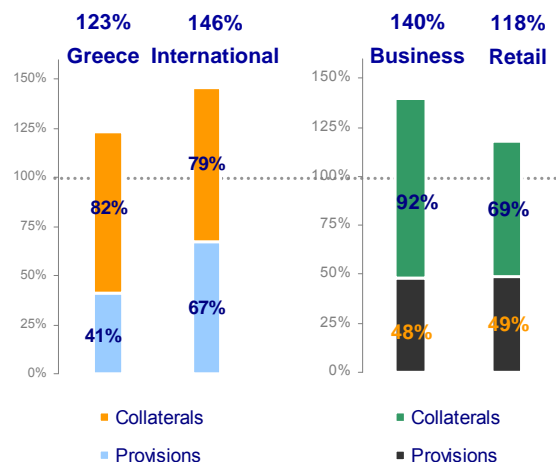


## Piraeus NPLs 90d+ Evolution vs. Market (%)



\* Greek market data: source Central Bank of Greece (Dec.'10 est.)

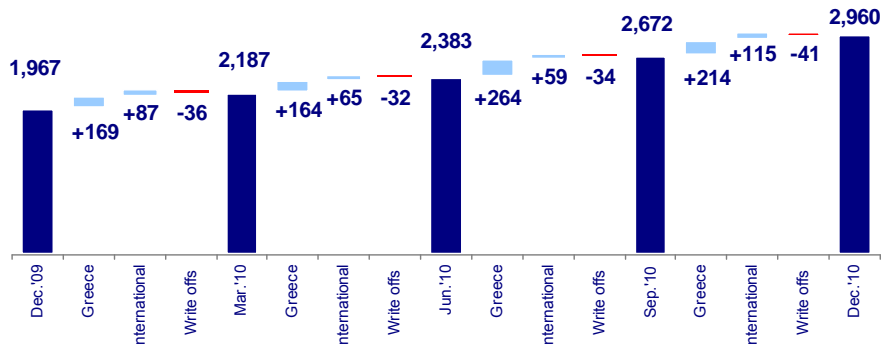
## Piraeus Coverage Analysis (%)



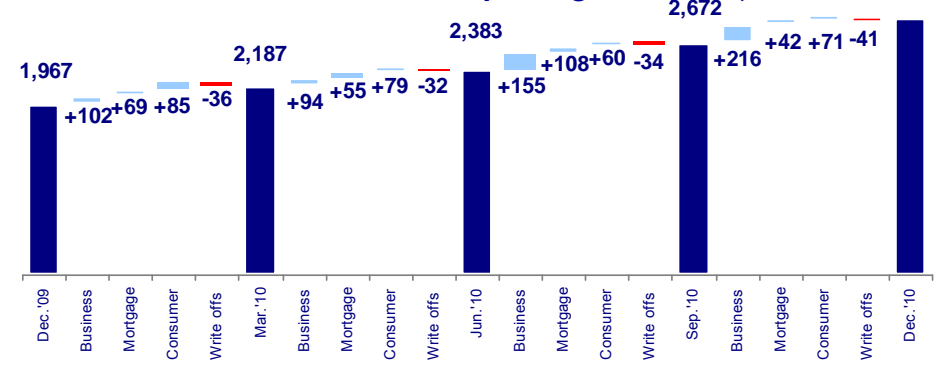
- Q4 NPLs formation at high level driven by business NPLs
- Macroeconomic situation in Greece remains difficult; gradual stabilisation expected from late '11
- International NPLs formation increased in Q4 due to specific corporate accounts
- Retail NPLs coverage:
  - 15% for mortgages
  - 73% for consumer
- Business NPLs coverage:
  - 33% for corporates
  - 54% for SMEs
- Average LTV of Greek mortgage book at 57% (Dec.'10)

# NPLs formation & provisions analysis

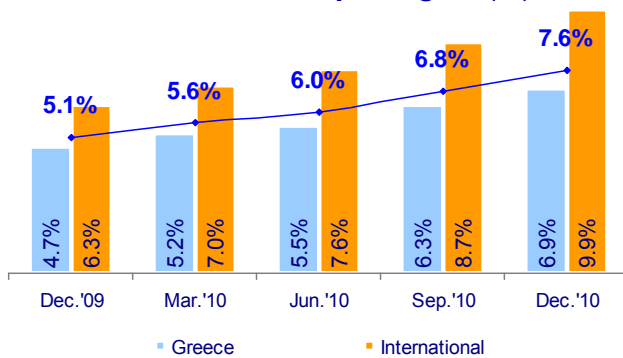
**NPLs 90d+ formation per region (€ mn)**



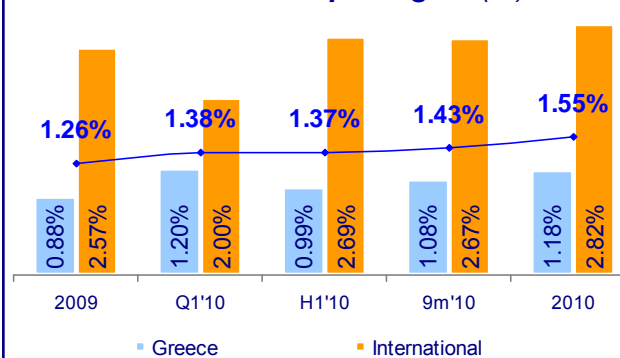
**NPLs 90d+ formation per segment (€ mn)**



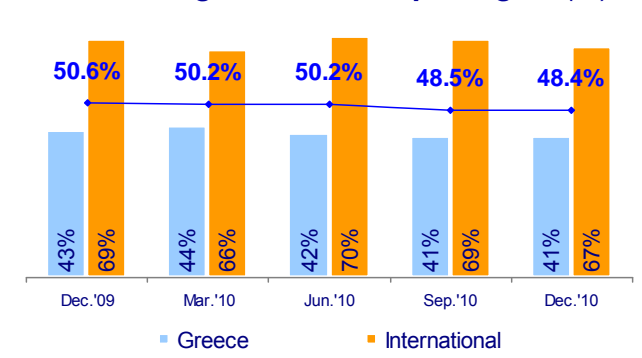
**NPLs 90+ ratio per region (%)**



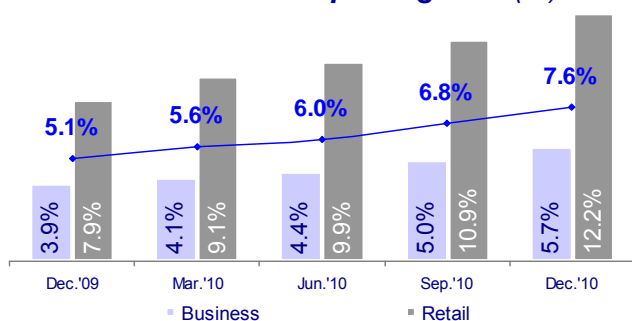
**Cost of risk per region (%)**



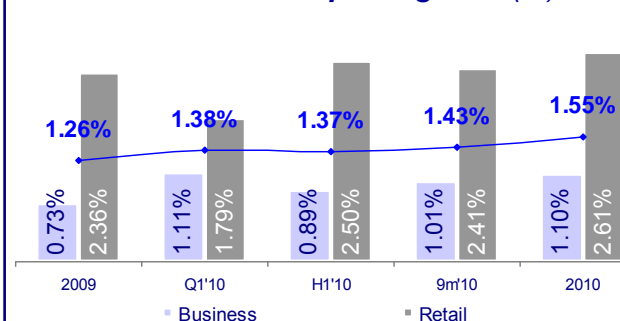
**Coverage of NPLs 90+ per region (%)**



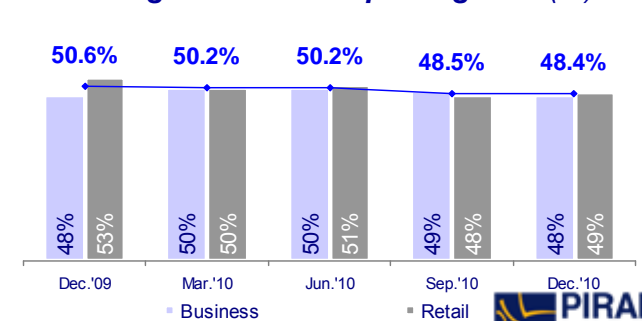
**NPLs 90+ ratio per segment (%)**



**Cost of risk per segment (%)**

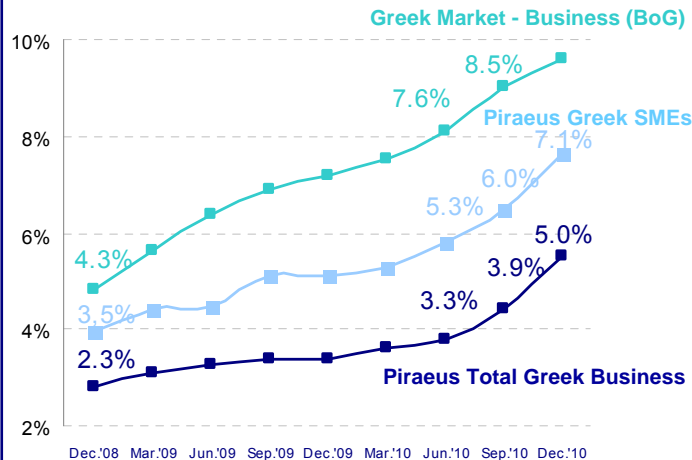


**Coverage of NPLs 90+ per segment (%)**

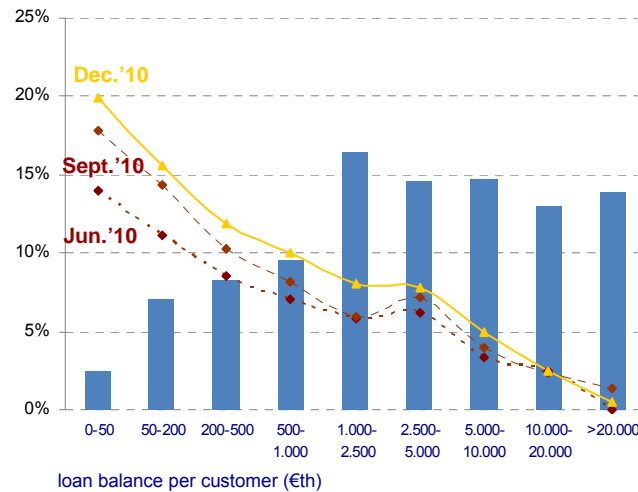


# Asset quality: SMEs in Greece

**Piraeus Business NPLs 90d+ vs. Market (%)**

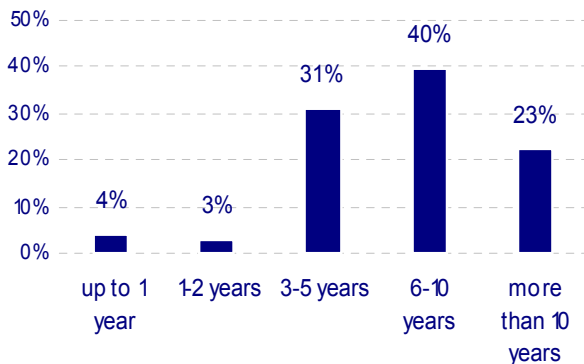


**Piraeus SMEs Loans & NPLs Granularity (%)**



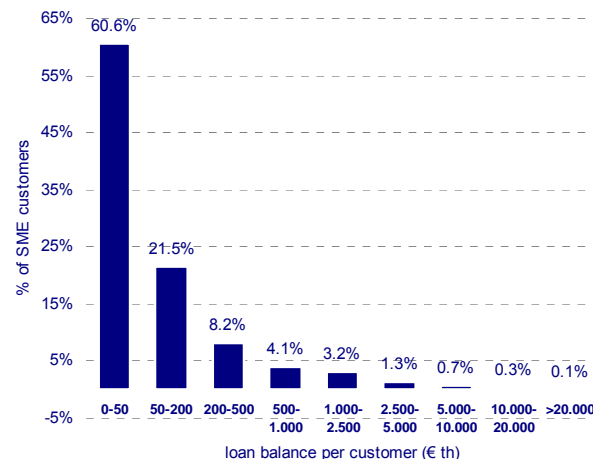
**SMEs: Years of Co-operation with Piraeus**

Long lasting relationship with SMEs in Greece, based on trust and mutual interest assists in maintaining asset quality



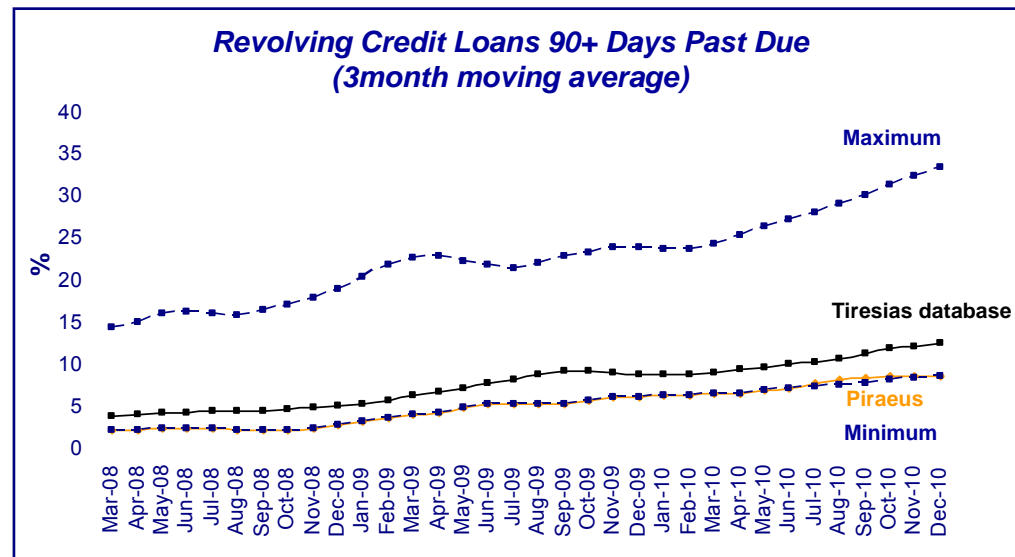
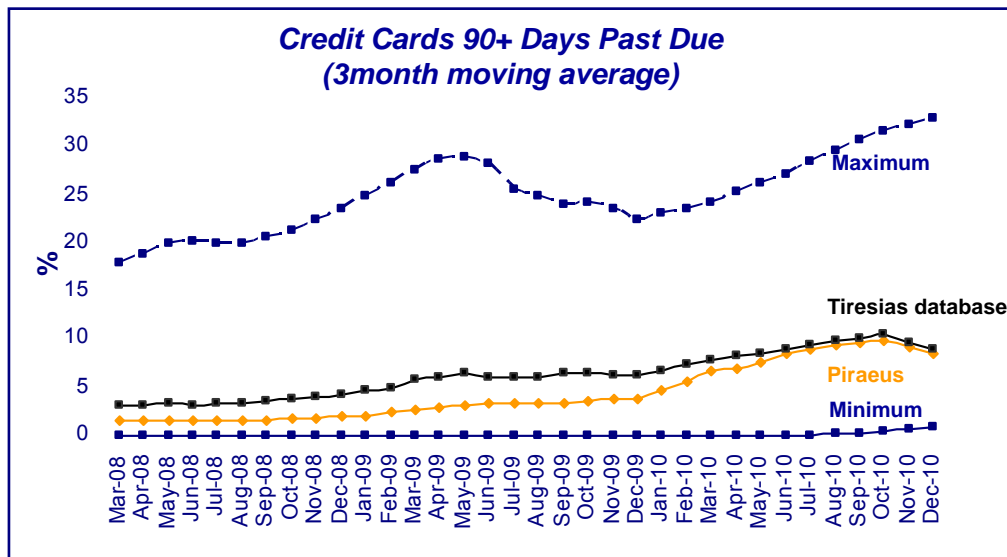
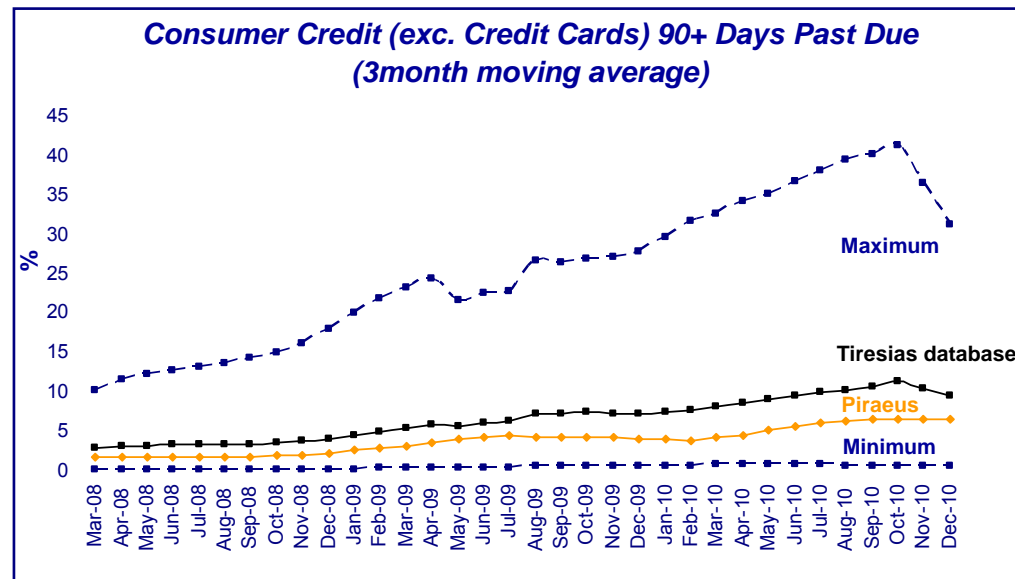
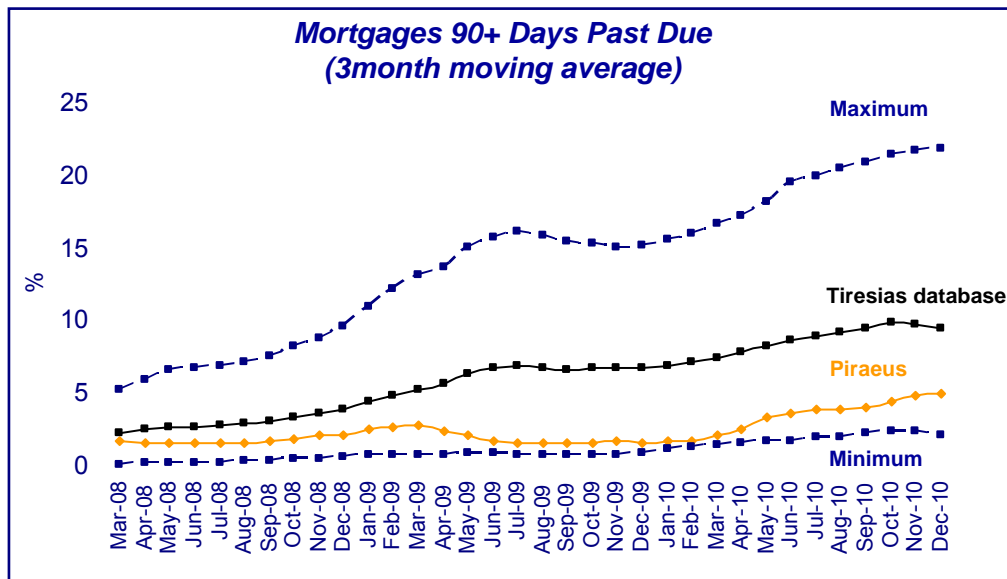
- SMEs up to €50 mn annual turnover
- Greek market data: Central Bank of Greece

**Greek SME Customers Granularity - Dec. '10 (%)**










- Piraeus' SMEs portfolio is skewed towards medium-sized enterprises with lower risk profile
- Almost 2/3 of SME customers have a co-operation of more than 5 years with Piraeus Bank
- Approximately 120 th SME customers in Greece
- Geographical diversification, no prefecture with less than 10% of local market share penetration
- Granular customer base (above 80% of Piraeus SME customers are at the €0-200 th segment)
- Sector diversification, no significant concentration in specific industries
- High cross selling ratios for SMEs (4 products per customer on average)








# Asset quality for Greek retail loans vs. Greek market










Loans reported are arrears more than 90 days up to the point legal actions are taken \* Source : Tiresias SA (Greek 'White Credit Bureau')

- the average is derived from the database of Tiresias
- the maximum and minimum ratios refer to only one bank and are derived from the respective database

<u>NPLs ratio (%)</u>		Dec.2009	Sep.2010	Dec.2010	Contribution to Group Loans (%)
Albania		6.5%	7.8%	7.6%	1.2%
Bulgaria		3.9%	5.6%	6.4%	4.4%
Romania		5.8%	9.0%	10.8%	8.2%
Serbia		8.8%	10.3%	11.3%	1.5%
Egypt		6.6%	10.3%	12.2%	2.2%
Cyprus		4.4%	5.2%	3.9%	1.9%
Ukraine		34.5%	44.1%	50.5%	0.7%

<u>Coverage ratio (%)</u>		Dec.2009	Sep.2010	Dec.2010
Albania		53%	49%	53%
Bulgaria		67%	60%	61%
Romania		86%	84%	76%
Serbia		68%	71%	65%
Egypt		77%	67%	68%
Cyprus		54%	42%	63%
Ukraine		44%	54%	53%

<u>Cost of risk (%)</u>		2009	9m 2010	2010
Albania		1.2%	0.7%	0.8%
Bulgaria		1.3%	0.9%	1.3%
Romania		3.6%	4.2%	4.3%
Serbia		2.5%	2.2%	1.9%
Egypt		2.1%	2.4%	3.0%
Cyprus		0.2%	0.5%	0.7%
Ukraine		11.9%	12.3%	13.2%

■ NPLs for international operations at 9.9% in Dec.'10

■ Deterioration in Q4 formation derived from business NPLs (specific accounts); stabilisation in formation for international retail NPLs

■ 2011 outlook is positive for SEE overall, driven by increasing industrial output and gradual recovery in internal demand



A

Highlights

pages 3 - 5

B

FY 2010 Financial Performance

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**C**

**Appendix**

**pages 22 - 30**

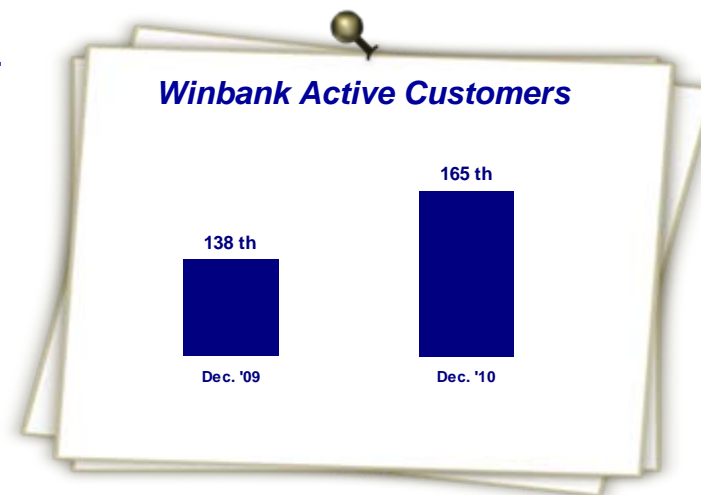


## E-banking

- Winbank was launched in 2000 starting with 1,000 users and today has app. 165 th active users
- 40 awards in 10-year period
- New Greek legislation regarding B2B and B2C transactions, along with increasing internet penetration, will position Piraeus Bank at an even more advantageous position
- 97% customer satisfaction rate for winbank users. c.1 million visits per month
- On average, winbank users, when compared to other Piraeus Bank customers:
  - ✓possess 187% more banking products
  - ✓execute 84% more transactions with Piraeus Bank
  - ✓increase product's use by 214% and acquire new products by 143% more



## Winbank Active Customers

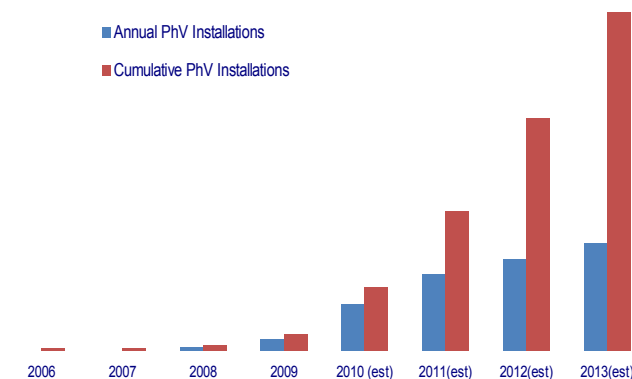


## Green Banking

- Piraeus Bank is a pioneer in the sector in Greece
- €1 bn approved credit limits, a 51% increase y-o-y in Dec.'10
- 900 customers at the end of 2010, double vs. 2009
- €0.5 bn loan balances, a 39% increase y-o-y in Dec.'10
- Implemented a full green banking training program for personnel (150,000 training hours)

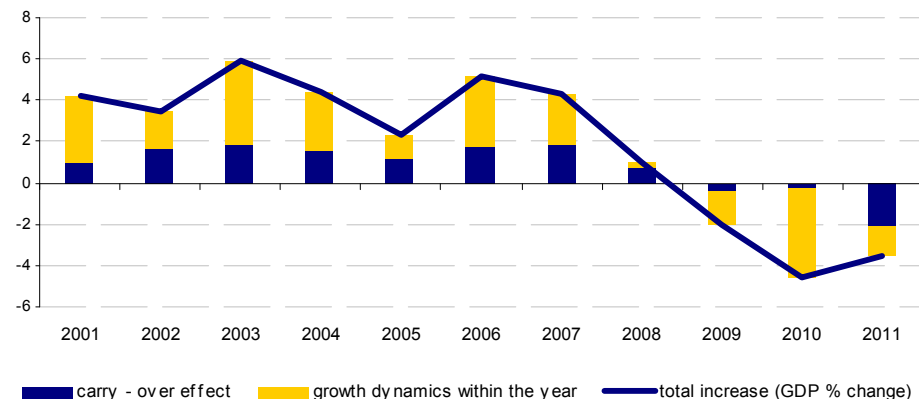


## Green Photovoltaic Market (MWp)

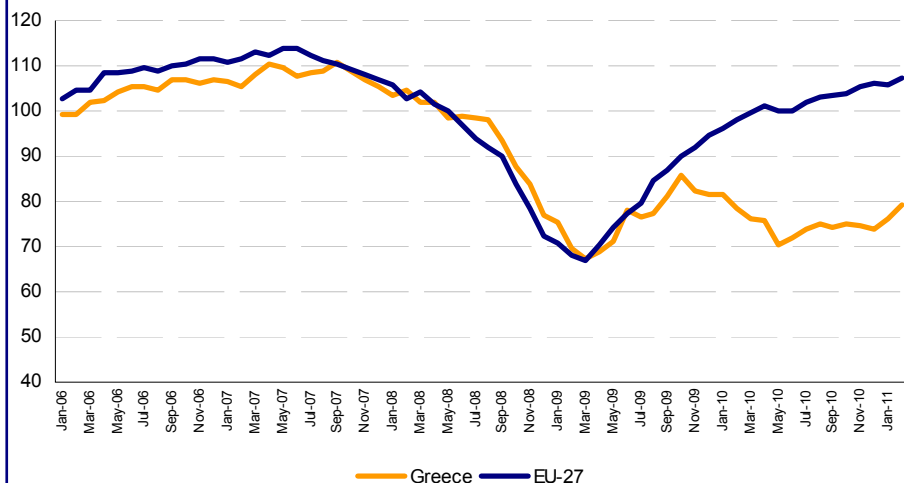


# Macro Outlook for Greece: Challenging at least until Q4'11

**GDP carry-over effect (%)**



**Economic Sentiment Indicator**  
(seasonally adjusted, bps)



✎ We see our below-consensus GDP forecast of -3.5% for 2011 as a combination of two factors:

- a) a negative carry-over effect that will subtract 2.3 pps from GDP and
- b) negative within year dynamics of -1.5%

✎ Current improvement of Economic Climate can be attributed to:

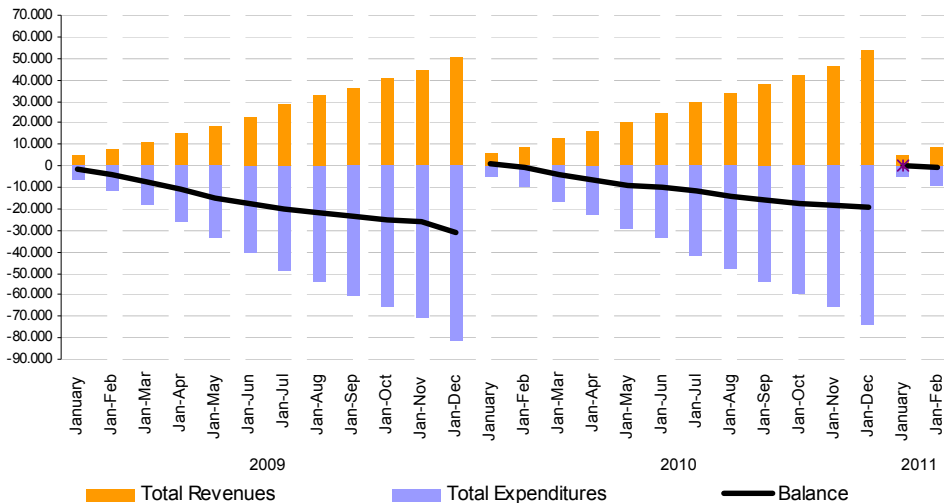
- a) satisfactory decision on EU-level
- b) exports growth and
- c) improved prospects for tourism industry

**Economic Outlook (y-o-y % change, unless otherwise stated)**

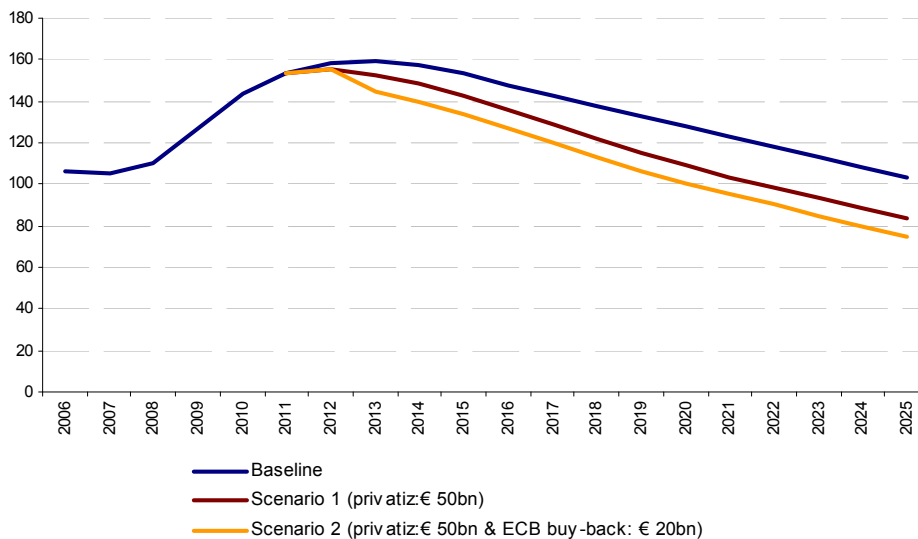
	2007	2008	2009	2010	Piraeus Bank 2011 (f)
Real GDP growth	4.3	1.0	-2.0	-4.5	-3.0 to -4.0
Nominal GDP growth	7.5	4.3	-0.8	-2.1	-1.0 to -2.0
Inflation	2.9	4.2	1.2	4.7	3.0 to 4.0
Unemployment (% of labour force)	8.3	7.6	9.5	12.5	14.0 to 15.0
Current Account Deficit (% of GDP)	14.4	14.7	11.0	10.5	9.5 to 10.5
General Government Deficit (% of GDP)	6.4	9.4	15.4	9.4 (e)	7.4
General Government Debt (% of GDP)	105.0	110.3	126.8	142.5 (e)	152.6

# Fiscal Policy: Some progress on flows, renewed attention on stocks

Central Government Balance (€ mn)



Debt Scenarios (% of GDP)



- ✎ The first part for the resolution of the crisis called for dealing with the fiscal flows, i.e. dealing with the fiscal deficit
- ✎ The second -even more- important step calls for dealing with the stock of debt. This has put more emphasis on privatisation revenues and potential debt buy-back

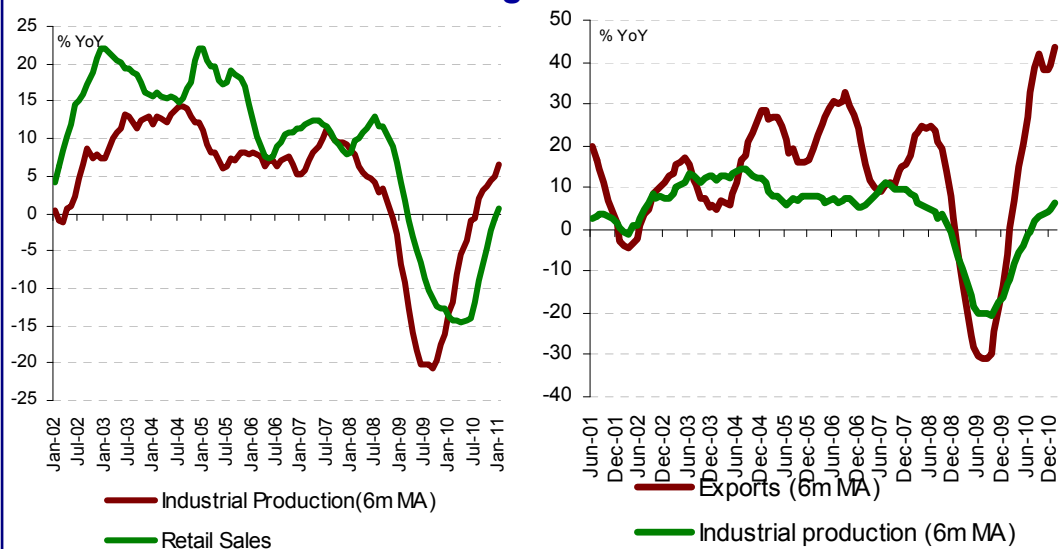
## ✎ Note on assumptions:

- ✓ Scenario 1: 2011-2020 privatisation plan €50bn
- ✓ Scenario 2: 2011-2020 privatisation plan €50bn plus debt buy - back €20bn

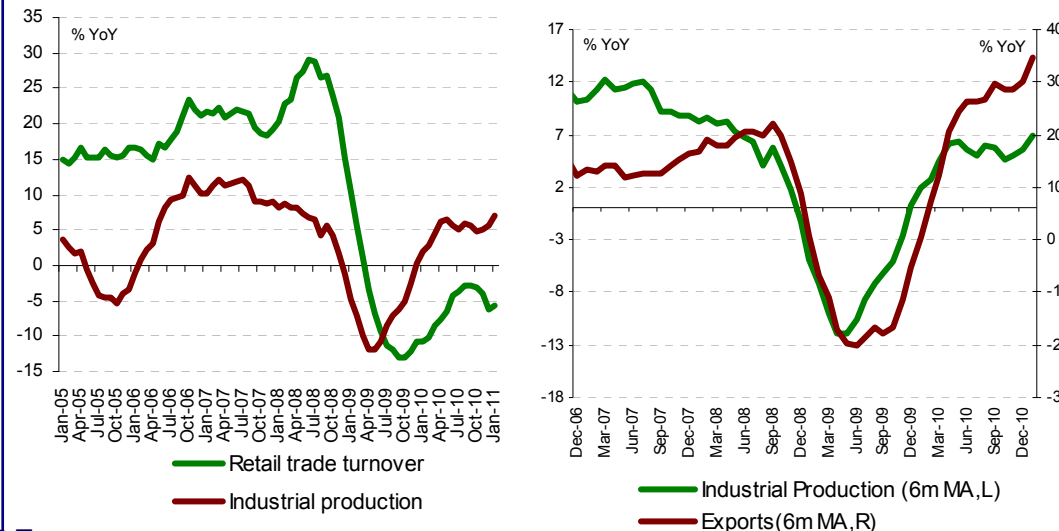
## ✎ Common assumptions:

- ✓ 2011-2015 according to MoF & IMF
- ✓ 2016-2025 nominal growth rate 5.0%, primary surplus 5.0% of GDP, implicit interest rate 5.0%

## Bulgaria



## Romania



### General comments:

- Real GDP growth will be positive in 2011 for all countries in SEE and Egypt as higher consumption, along with stronger investment, will support domestic demand and real GDP
- Financing support from international institutions concluded successfully in both Romania and Serbia and released significant degrees of (fiscal) freedom
- Fiscal finances look rosier in Romania and Serbia as evident in the governments' decision on not to withdraw the last tranche of the IMF-led loans
- Higher international energy and commodity prices, fuelled by the social unrest in Middle East, will determine inflation outlook in 2011

### Country Specifics:

- **Bulgaria:** Real GDP growth will head further north in 2011 backed by stronger consumption growth
- **Romania:** Successful completion of the IMF-lead loan and approval of a new precautionary Stand-By-Arrangement (SBA) of € 5.4bn (IMF: € 3.6bn, EU: € 1.4bn and World Bank € 0.4bn)
- **Serbia:** Prudent fiscal management will anchor economic policy for yet another year in 2011, but without IMF's fiscal conditionality
- **Albania:** higher food prices will take the toll to headline inflation in 2011, while real GDP growth will remain elevated
- **Ukraine:** The current SBA with the IMF dictates considerable fiscal restraint in 2011 and the balancing of Naftogaz's finances
- **Egypt:** Significant production disruptions during the social upheaval will take a heavy toll to real GDP in 2010/11
- **Cyprus:** Fiscal consolidation will be the top priority in 2011 in order to put a tight rein to a ballooning public debt.

Table of Economic Forecasts

	Real GDP (% YoY)		Inflation		Fiscal Balance (% GDP)		Current Account Balance (% GDP)	
	2010	2011	2010	2011	2010	2011	2010	2011
<b>Albania</b>	3.2	3.6	3.6	3.5	-3.0	-4.5	-11.1	-13.0
<b>Bulgaria</b>	0.2	2.7	2.4	3.3	-3.9	-3.8	-1.0	-1.7
<b>Cyprus</b>	1.0	1.8	2.4	3.3	-5.0	-4.9	-5.7	-6.2
<b>Egypt</b>	5.1	0.5	11.4	13.7	-8.1	-12.4	-2.0	-1.7
<b>Romania</b>	-1.3	1.4	6.1	6.3	-6.5	-5.5	-4.3	-7.6
<b>Serbia</b>	1.3	3.1	5.9	6.8	-3.2	-4.0	-7.2	-8.0
<b>Ukraine</b>	4.0	5.1	9.4	11.2	-6.0	-3.5	-1.9	-2.5

## Group Profit & Loss

in €mn	2010	2009	% y-o-y
Net interest income	1,206.9	1,104.9	9%
Net fees	199.0	206.0	-3%
► commercial banking fees	171.8	165.8	4%
► AM & investment banking fees	27.2	40.2	-32%
Dividend income	7.5	13.3	-43%
Trading results	0.1	177.5	-100%
Other operating income	85.5	160.9	-47%
► financial sector	82.4	88.8	-7%
► real estate	2.0	64.0	-97%
► other	1.2	8.1	-85%
<b>Total net revenues</b>	<b>1,499.1</b>	<b>1,662.6</b>	<b>-10%</b>
Employee costs	411.0	426.2	-4%
Administrative expenses	376.9	377.2	0%
(Profit) / loss from property	1.2	-2.7	>-100%
Depreciation	94.9	92.8	2%
<b>Total operating cost</b>	<b>884.0</b>	<b>893.5</b>	<b>-1%</b>
Share of profit of associates	-3.6	8.6	>-100%
<b>Pre-provision profit excl. trading</b>	<b>611.3</b>	<b>600.3</b>	<b>2%</b>
<b>Pre-provision profit</b>	<b>611.4</b>	<b>777.8</b>	<b>-21%</b>
Provision expense	600.7	491.2	22%
Pre-tax profit	10.7	286.6	-96%
Income tax (incl. one-off tax €24.6 mn)	31.9	81.0	-61%
Minority interest	-0.7	3.9	>-100%
<b>Net shareholders profit (before one-off tax)</b>	<b>3.8</b>	<b>235.5</b>	<b>-98%</b>
Net shareholder profit (loss)	-20.5	201.7	>-100%

## Group Balance Sheet

in €mn	Dec.'10	Dec.'09	% y-o-y
Cash & balances with central banks	2,993	2,978	1%
Loans & advances to banks	1,477	992	49%
Gross loans	39,071	38,683	1%
Cumulative provisions	1,433	995	44%
Instruments at FV through P&L	690	1,556	-56%
Bonds of loan portfolio	2,512	999	>100%
Available for sale portfolio	2,051	2,338	-12%
Held to maturity portfolio	5,057	3,364	50%
Intangibles & goodwill	387	339	14%
Fixed assets	1,917	1,909	0%
Other assets	2,004	2,117	-5%
<b>Total assets</b>	<b>57,683</b>	<b>54,280</b>	<b>6%</b>
Due to banks	19,871	14,177	40%
Deposits & retail bonds	29,995	30,755	-2%
Debt securities to institutional investors	2,709	4,282	-37%
Other liabilities	1,831	1,452	26%
<b>Total liabilities</b>	<b>54,407</b>	<b>50,666</b>	<b>7%</b>
► common shareholders' funds	2,769	3,100	-11%
► minority interests	141	148	-5%
Total equity	2,910	3,248	-10%
Preference shares	366	366	0%
Total equity & preference shares	3,276	3,614	-9%
<b>Total liabilities &amp; equity</b>	<b>57,683</b>	<b>54,280</b>	<b>6%</b>

# Group P/L per region

## 2010 Domestic Operations Performance

in €mn	2010	2009	% y-o-y
Net interest income	762.5	691.1	10%
Net fee income	145.6	157.0	-7%
Trading & other income	11.1	232.4	-95%
<b>Total net revenues</b>	<b>919.2</b>	<b>1,080.5</b>	<b>-15%</b>
Employee costs	293.9	316.0	-7%
Administrative expenses	259.2	262.4	-1%
(Profit) / loss on sale of property	1.0	-4.0	>-100%
Depreciation	43.3	47.4	-9%
<b>Operating cost</b>	<b>597.4</b>	<b>621.8</b>	<b>-4%</b>
<b>Pre-provision income</b>	<b>317.7</b>	<b>466.3</b>	<b>-32%</b>
Provision expense	358.6	264.5	36%
Pre-tax profit	-41.0	201.8	>-100%
<b>Net profit excl. one-off tax</b>	<b>-30.4</b>	<b>156.6</b>	<b>&gt;-100%</b>
<hr/>			
<b>Cost / income (%)</b>	<b>65.0%</b>	<b>57.5%</b>	
<b>Pre-provision margin (%)</b>	<b>1.0%</b>	<b>1.6%</b>	
<b>Cost of risk (%)</b>	<b>1.2%</b>	<b>0.9%</b>	

## 2010 International Operations Performance

in €mn	2010	2009	% y-o-y
Net interest income	444.4	413.8	7%
Net fee income	53.4	49.0	9%
Trading & other income	82.1	119.3	-31%
<b>Total net revenues</b>	<b>579.9</b>	<b>582.1</b>	<b>0%</b>
Employee costs	117.1	110.2	6%
Administrative expenses	117.7	114.8	2%
(Profit) / loss on sale of property	0.2	1.3	-85%
Depreciation	51.6	45.4	14%
<b>Operating cost</b>	<b>286.6</b>	<b>271.7</b>	<b>5%</b>
<b>Pre-provision income</b>	<b>293.7</b>	<b>311.4</b>	<b>-6%</b>
Provision expense	242.1	226.6	7%
Pre-tax profit	51.7	84.8	-39%
<b>Net profit</b>	<b>34.2</b>	<b>79.0</b>	<b>-57%</b>
<hr/>			
<b>Cost / income (%)</b>	<b>49.4%</b>	<b>46.7%</b>	
<b>Pre-provision margin (%)</b>	<b>3.4%</b>	<b>3.5%</b>	
<b>Cost of risk (%)</b>	<b>2.8%</b>	<b>2.6%</b>	












# Group loan and deposit portfolios analysis

in €mn	Dec.'10	Sep.'10	Jun.'10	Mar.'10	Dec.'09	% y-o-y	% q-o-q
<b>Total Gross Loans to Customers</b>	<b>39,071</b>	<b>39,257</b>	<b>39,682</b>	<b>38,834</b>	<b>38,683</b>	<b>1%</b>	<b>0%</b>
<b>Loans to Businesses</b>	<b>27,666</b>	<b>27,410</b>	<b>27,916</b>	<b>27,267</b>	<b>27,076</b>	<b>2%</b>	<b>1%</b>
SMEs	18,121	17,873	18,501	18,136	18,175	0%	1%
Large Corporates	9,544	9,537	9,414	9,131	8,901	7%	0%
<b>Loans to Individuals</b>	<b>11,405</b>	<b>11,846</b>	<b>11,767</b>	<b>11,567</b>	<b>11,608</b>	<b>-2%</b>	<b>-4%</b>
Mortgage Loans	6,910	6,834	6,844	6,720	6,659	4%	1%
Consumer	4,496	5,013	4,923	4,848	4,949	-9%	-10%

<b>Total Deposits from Customers</b>	<b>29,995</b>	<b>30,027</b>	<b>29,671</b>	<b>30,084</b>	<b>30,755</b>	<b>-2%</b>	<b>0%</b>
Sight & Other	4,944	5,262	5,075	4,962	5,615	-12%	-6%
Savings	3,676	3,750	3,909	3,968	4,293	-14%	-2%
Term, Repos & Retail Bonds	21,375	21,015	20,687	21,153	20,848	3%	2%

in €mn	Dec.'10	Sep.'10	Jun.'10	Mar.'10	Dec.'09	% y-o-y	% q-o-q
<b>Total Gross Loans to Customers</b>	<b>39,071</b>	<b>39,257</b>	<b>39,682</b>	<b>38,834</b>	<b>38,683</b>	<b>1%</b>	<b>0%</b>
Greece	30,602	30,742	30,765	30,075	29,971	2%	0%
International Operations	8,469	8,515	8,918	8,760	8,712	-3%	0%
<b>Total Deposits from Customers</b>	<b>29,995</b>	<b>30,027</b>	<b>29,671</b>	<b>30,084</b>	<b>30,755</b>	<b>-2%</b>	<b>0%</b>
Greece	24,359	24,373	24,252	24,879	25,894	-6%	0%
International Operations	5,636	5,654	5,419	5,204	4,862	16%	0%

# Group presence per country (31 Dec. 2010 data)

in mn €		Assets	y-o-y	Loans	y-o-y	Deposits	y-o-y	Branches #	Staff #
<b>Greece</b>		<b>45,491</b>	<b>7%</b>	<b>30,602</b>	<b>2%</b>	<b>24,359</b>	<b>-6%</b>	<b>360</b>	<b>6,370</b>
Albania		670	6%	469	5%	501	22%	56	487
Bulgaria		2,182	-4%	1,711	-8%	676	3%	101	981
Romania		3,944	-4%	3,198	-6%	1,164	2%	187	1,981
Serbia		751	8%	597	-2%	212	38%	47	569
Ukraine		323	15%	254	10%	123	96%	54	733
<b>South Eastern Europe</b>		<b>7,871</b>	<b>-1%</b>	<b>6,229</b>	<b>-5%</b>	<b>2,677</b>	<b>10%</b>	<b>445</b>	<b>4,749</b>
Egypt		1,730	17%	853	-3%	1,320	21%	48	1,683
Cyprus		1,629	38%	755	24%	1,023	32%	15	337
<b>Eastern Mediterranean</b>		<b>3,359</b>	<b>28%</b>	<b>1,609</b>	<b>8%</b>	<b>2,343</b>	<b>26%</b>	<b>63</b>	<b>2,020</b>
USA, New York		628	8%	394	1%	544	8%	13	160
UK, London		333	-29%	237	-21%	72	6%	1	18
<b>Piraeus Bank Group</b>		<b>57,683</b>	<b>6%</b>	<b>39,071</b>	<b>1%</b>	<b>29,995</b>	<b>-2%</b>	<b>882</b>	<b>13,320</b>

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## 2011 Financial Calendar

AGM	20 May 2011
Q1 2011	27 May 2011
H1 2011	26 August 2011
9m 2011	25 November 2011

## Disclaimer

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The Piraeus Bank Group Cultural Foundation (PIOP) organises and manages a network of thematic museums, which study, preserve and promote Greece's heritage and cultural identity. This expanding network of museums constitutes a unique and large-scale cultural intervention which enables PIOP to transmit an alternative perception of activity in the provinces and at the same time support regional development. These museums aspire to become both a meeting place and a focal point for the local population, and especially for young people.

