FIRST HALF 2009 RESULTS

'Group's Net Profit at €128 mn and Increased Provisions'

PIRAEUS BANK

Athens - 26 August 2009

Statement from Chairman of the Board of Directors, Michalis Sallas

The conditions in the global economy remain difficult, however with strong signs of gradual recovery and stabilization of the markets from the second quarter of the year.

Piraeus Group adjusted its policies in a timely manner in order to strengthen its balance sheet and improve its results. The Group's liquidity almost reached historically high levels, non performing loans increased to 4.5% yet at a decelerated rate, the level and quality of capital adequacy improved with total Capital Adequacy ratio at 11.2%, and Equity Tier I ratio at 7.9% and operating cost further contained at 1%.

Group's net profit decreased by 55% y-o-y in the first half 2009, however net profit of the second quarter increased by 48% compared to the previous quarter.

These developments allow for an environment of conservative optimism and provide the underlined conditions that along with the efficient management and the better asset quality will enable us to exploit the opportunities from a stronger position in the future.

GREEN BANKING

Piraeus Bank Corporate Social Responsibility

WE SUPPORT

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Financial Calendar

▫ 9M 2009 Results

Friday, 20 November 2009

Piraeus Bank Group (www.piraeusbank.gr) was founded in 1916. The Bank operated through a period of private-ownership and management and in 1975 it passed to state-ownership until 1991 when it privatized again. Since then, it has continuously grown in size and activities. At the end of June 2009 the Group possessed a network of 877 branches (358 in Greece and 519 internationally) and 13,800 employees. Piraeus Bank's total equity amounted to €3.6 billion, customer deposits €31.8 billion, loans €38.3 bn and total assets €54.0 billion.

Piraeus Bank Group, combining business development and social responsibility, endorses systematically its relations with its social partners through specific actions, as well as the broader social environment, while emphasis is placed on the protection of the natural and cultural environment.

Group's Performance Highlights 1 January - 30 June 2009

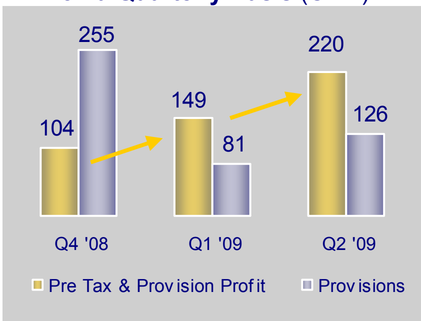
Results

- Pre-tax and provisions profit amounted to €368 mn in H1'09, -16% y-o-y. Increased by 48% q-o-q, mainly attributed to the strengthening of net interest income and trading gains.
- Provisions at €207 mn, 2.5 times higher than H1'08, corresponding to 107 bps on average loans vs. 83 bps in Q1'09 and 49 bps in H1'08.
- Net profit attributable to shareholders was €128 mn, -55% y-o-y due to the significant increase in provisions. On a quarterly basis, Q2'09 net profit increased by 48% compared to Q1'09 (€76 mn vs. €52 mn respectively), resulting from the increase of all revenue sources.
- Net interest income of €528 mn, -5% y-o-y, but improved by 7% in Q2'09 vs. Q1'09 (€272 mn vs. €255 mn respectively). Net Interest Margin (NIM) in Q2'09 was 2.6% compared to 2.4% in Q1'09.
- Further deceleration of operating cost, with an annual increase of 1%, despite the 5% increase in the number of branches.

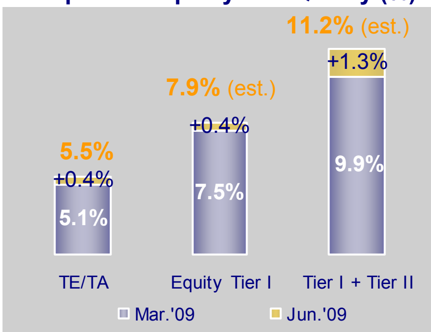
Volumes

- Total Assets amounted to €54 bn, +5% y-o-y.
- "Loans to deposits" ratio at 107%, adjusted for securitizations, reduced by ~450 bps in one quarter.
- Further strengthening of the liquidity through two new loans securitizations (April '09: €725 mn consumer loans, May '09: €900 mn business loans). In August '09 three more securitizations of €3.45 bn were completed, offering access to €1.9 bn additional liquidity.
- Non Performing Loans above 180 days at 2.3% with provisions coverage ratio at 92%.
- Loans in arrears above 90 days (IFRS 7) at 4.5%, with the respective provision coverage ratio improved at 49% before write-offs, while the ratio sets at 48% when adjusted for write-offs, at the same level as in March '09. When taking into account tangible collaterals, the coverage ratio reaches 103%.
- Group's total equity increased by €203 mn compared to March '09 and amounted to €3.3 bn, excluding the €370 mn preference shares of the Greek state. When the latter is included, the Group's total equity reaches €3.6 bn.
- The Group's regulatory capital amounted to €4.1bn and the Capital Adequacy ratio at 11.2% (est.) with Tier I at 9.3% (est.).
- Tangible Equity (excluding intangible assets, goodwill, hybrid capital and the preference shares) to Tangible Assets ratio stood at 5.5%, which is amongst the highest in Europe and above peer average in Greece. Equity Tier 1 ratio excluding hybrid capital and preference shares was at 7.9% (est.) which is indicative of the quality of its capital base in the midst of the crisis.

Group Results Evolution on a Quarterly Basis (€ mn)

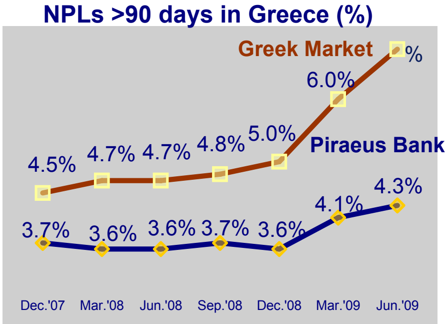


Capital Adequacy and Quality (%)

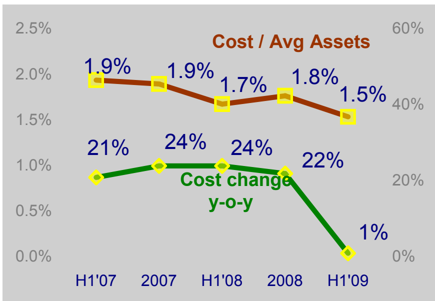


TE/TA: Tangible Equity / Tangible Assets (excluding intangible assets & pref. shares)

NPLs >90 days in Greece (%)



Group's Operating Cost Evolution



Key Figures of Piraeus Bank Group 06.2009

(balance sheet data at the end of the period, income statement data for entire period)

Consolidated data	30 Jun. 2009	Δ y-o-y	30 Jun. 2008	31 Dec. 2008
Selective Volume Figures (mn €)				
Assets	**53,961**	**+5%**	51,530	54,890
Gross Loans	**38,272**	**+5%**	36,287	39,016
Deposits & Retail Bonds	**31,778**	**+8%**	29,552	31,294
Total Equity	**3,631**	**+9%**	3,331	3,025
▫ Common Shareholders' Capital	**3,114**	**0%**	3,106	2,876
▫ Minorities	**147**	**-35%**	226	149
▫ Preference Shares	**370**	-	-	-
Selective Results (mn €)				
Net Interest Income	**528**	**-5%**	556	1,160
Net Fee & Commission Income	**101**	**-21%**	127	242
Other Operating Income	**152**	**-6%**	161	250
Total Net Revenues	**780**	**-8%**	844	1,652
Total Operating Cost	**417**	**+1%**	412	897
Pre Provision Profit	**368**	**-16%**	436	774
Provisions	**207**	**+150%**	83	388
Pre Tax Profit	**161**	**-54%**	353	386
Net Profit Atributable to Shareholders	**128**	**-55%**	284	315
Key Indicators (%)				
Loans / Deposits (adjusted for securitizations)	**107.3%**	**-725 bps**	114.5%	112.3%
NPLs > 90 days (IFRS 7)	**4.5%**	**+113 bps**	3.3%	3.6%
Cost / Income	**53.5%**	**+465 bps**	48.8%	54.3%
Capital adequacy (Basel II)	**11.2%** (est.)	**+67 bps**	10.5%	9.9%
▫ Tier I ratio (Basel II)	**9.3%** (est.)	**+72 bps**	8.6%	8.0%
▫ Equity Tier I ratio (Basel II)	**7.9%** (est.)	**-21 bps**	8.1%	7.4%
Other Key Information (#)				
Branches	**877**	**+5%**	832	895
▫ Greece	**358**	**+4%**	343	358
▫ International Operations	**519**	**+6%**	489	537
Employees	**13,800**	**0%**	13,752	14,255
▫ Greece	**6,826**	**-3%**	7,002	6,889
▫ International Operations	**6,974**	**+3%**	6,750	7,366
Customers (mn)	**3.3**	**+9%**	2.9	3.3
▫ Greece	**2.2**	**+13%**	1.9	2.1
▫ International Operations	**1.1**	**+2%**	1.0	1.2
Common Shares (end of period, mn)	**336.3**	**+2%**	329.5	329.5
Common Shares (weighted avg of period, mn)	**325.2**	**-2%**	332.4	330.2

PIRAEUS BANK

Volumes Evolution

Deposits and retail bonds reached €31.8 bn at the end of June 2009, increased by 8% y-o-y, contributing to an improved “loans / deposits” ratio (adjusted for securitizations) of 107% compared to 115% a year ago.

In Greece, deposits amounted to €26.8 bn strengthened by 9% y-o-y. Deposits from international operations recorded an increase of 2% y-o-y and reached €5.0 bn.

Loans / Deposits
(adjusted for securitizations)

Volumes Evolution and Group Liquidity

The Group’s volumes evolution in Greece and internationally during Q2‘09 followed the trend of the recent months, with decelerating of loan growth. Piraeus Bank’s disbursements during Q2’09 amounted to €2.5 bn compared to €2.1 bn during the previous quarter. Respectively, deposits increased in Q2’09, while their composition improved at the same time (increase in sight and savings deposits at the expense of time deposits). During the first half of 2009, 83,000 new individuals and 3,000 new business customers commenced their cooperation with Piraeus Bank, setting the total number of Piraeus Bank’s customers in Greece, at 2.2 million. When including the customers of Piraeus Group outside of Greece, the overall number of Group customers reaches 3.3 million.

Moreover, the loans securitization programme continued with €1.6 bn securitizations in Q2‘09 and €3.5 bn in August ‘09, resulting in a total of €5.2 bn loans today being self-funded from securitizations. Additionally, at the beginning of June 2009 the Bank successfully launched its 2-Year €500 million senior bond issue, which was 2.5 times oversubscribed with a total participation of 96 investors from 15 countries.

The annual growth rate of **loans** reached +5%, with the outstanding loans balance at €38.3 bn at the end of June 2009**.**

The loan portfolio of Piraeus Bank and its subsidiaries in Greece grew by 4% y-o-y, with the balance reaching €29.5 bn. Piraeus Bank’s loans to foreign companies, mainly to firms of Greek and EU interests, amounted to €2.7 bn. Loans from international subsidiaries increased by 4% y-o-y, amounted to €6.1 bn.

Per customer segment, at the end of June 2009:

- loans to SMEs and large enterprises increased by 9% and 2% y-o-y respectively, while the total business portfolio was enhanced by 7% y-o-y
- loans to individuals recorded an increase of 2% y-o-y (mortgages 3%, consumer loans were unchanged)
- loans to medium and small businesses comprised 49% of total loans, loans to individuals 30% and loans to large enterprises 21%.

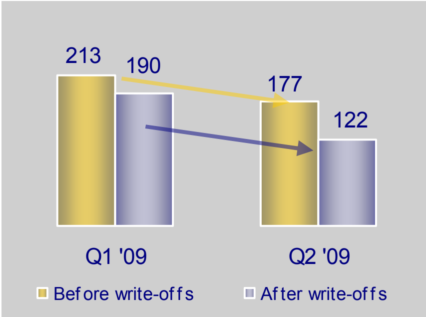
Group Volume Analysis (mn €)	**June’09**	**Δ% y-o-y**
Loans per Customer Type		
Loans to Businesses	**26,707**	**+7%**
SMEs	18,598	+9%
Large Corporates	8,110	+2%
Loans to individuals	**11,565**	**+2%**
Mortgages	6,552	+3%
Consumer	5,013	0%
Total	**38,272**	**+5%**
>’self funded’ loans*	3,371	+74%
(*) liquidity through securitizations		
Deposits by Type		
Sight-Savings	9,068	-6%
Term	22,710	+14%
Total	**31,778**	**+8%**

Asset Quality

Despite the reduction of loan growth, the Group's asset quality ratios remained at a satisfactory level. Non Performing Loans above 180 days ratio was set at 2.3% vs. 2.2% at the end of March 2009. These loans are covered by provisions at 92%. Loans in arrears more than 90 days (IFRS-7) over total loans stood at 4.5% in June '09 versus 4.1% in March '09.

The coverage ratio of loans in arrears above 90 days by cumulative provisions increased at 49% at the end of June '09 before Q2'09 write-offs which amounted to €55 mn. Adjusting for these write-offs the ratio was maintained at the level of March '09 (48%). When tangible collaterals are taken into account, the coverage ratio equals 103%.

Loans in Arrears > 90 days Formation (€ mn)



Group's Quality of Loan Portfolio and Capital

The quality of Group loan portfolio remains a competitive advantage, as the difference of Piraeus Bank's non performing loans compared to the corresponding ratio of the market, both in Greece and in other major international markets of activity (Romania, Bulgaria), is not only maintained, but has also widened in favour of the Bank. This is despite the significant deceleration of the loan growth during the passed 9 months, which adversely affects the non performing loan ratio. At the same time, the Bank's traditional focus on SMEs has proven of a lower risk not only because of their wide sector-based dissemination and geographic diversification, but also because of their high coverage ratio of their credit exposures with collaterals and tangible guarantees.

The total capital adequacy of the Group remains at a particularly satisfactory level 11.2% (est.) and of high quality, as indicated by the Equity Tier I ratio of 7.9% (est.), which is amongst the highest of its major Greek peers and internationally, safeguarding the Group's strong position.

Equity - Capital Adequacy

The Group's total equity amounted to €3.3 bn, at the end of June recording an increase of €203 mn compared to March '09 excluding the Greek State's €370 mn preference shares (when included €3.6 bn).

The Q2'09 increase includes the private placement of treasury shares that took place in June 2009 which strengthened the shareholders' funds by €102 mn. The total capital adequacy ratio stood at 11.2% (est.) with Tier I at 9.3% (est.).

The Group's total regulatory capital was €4.1 bn (est.) on 30.06.2009, including the €370 mn preference shares that were issued in favour of the Greek state. It is worth mentioning that Piraeus Bank Group enjoys a high level and qualitative distribution of shareholders' equity**,** as its is illustrated both in the CAD ratio and the Equity Tier I ratio at 7.9% (est.) that does not take into account hybrid capital and preference shares. Equally satisfactory is the ratio Tangible Equity (Total Equity less intangible assets, goodwill, hybrid and preference shares) / Tangible Assets (5.5%)**.**

Profit & Loss Evolution

Pre tax & provisions profit amounted to €368 mn in H1‘09 vs. €436 mn in the same period last year. Profits in H1’09 were burdened by the additional provisions of €207 mn, within the framework of the Bank’s policy to adjust to the current economic environment. Hence, H1’09 net profit attributable to shareholders amounted to €128 mn vs. €284 mn a year ago decreased by 55%.

Results & Ratios	H1 ‘09	Δ% y-o-y
Pre Provision Profit	**368**	-16%
Pre Tax profit	**161**	-54%
Net Profit	**128**	-55%
EPS (€) - basic	**0.38**	-55%
RoE(*)	**8.6%**	-978 bps
RoA	**0.5%**	-72 bps

(*) excluding preference shares

Q2 2009 Greek Market Interest Rate Evolution

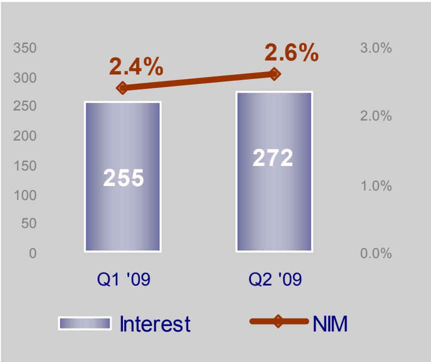
Net Interest Income improved during Q2 ‘09 due to the decrease of the negative spread in time deposits without however posting a significant reduction. This occurred while the average 1 month and 3 month euribor rates were set at 95 and 130 bps respectively and Greek banks continued to offer to their depositors significant higher time deposit rates for respective time durations (second highest rates in Europe).

In terms of loans, the differences between interest rates in Greece and respective average Eurozone rates have remained at a pre-crisis level due to inherent characteristics of the Greek banking system i.e. the higher operating cost, cost of funding in retail deposits and wholesale market, the higher percentage of «revolving» loans (e.g. cards), which have higher interest rate due to higher risk etc. Despite the above, mortgage interest rates in Greece are amongst the lowest in the Eurozone, while in fact for a period of time they were the lowest.

The increase in profitability during Q2‘09 is mainly attributed to the increase of net inte2rest income and trading gains, while all revenue sources recorded an increase. Net interest income mainly rose due to the decrease of time deposit costs, which was compressed during Q2, but still remains high.

The improvement of trading gains, was mainly related to the bonds portfolio and thus gave the opportunity to the Group to formulate additional provisions during Q2‘09 in order to further safeguard its balance sheet against the negative economic environment.

Net Interest Income (€ mn)
& Net Interest Margin-NIM (%)



Group Profit & Loss Analysis

Total net revenues for H1'09 were €780 mn, out of which:

- Net interest income amounted to €528 mn decreased by 5% on a yearly basis which is mainly attributed to the increased cost of deposits. On a quarterly basis NII in Q2'09 was €272 mn increased by 7% versus Q1.
- Net fee & commission income was €101 mn decreased by 21% y-o-y affected mainly by the decrease in volumes of activities. On a quarterly basis, net fees were at the same level as in Q1'09.
- Net trading income & gains less losses from investment securities amounted to €76 mn versus €40 mn last year, mainly attributed to the improved profitability of the bond portfolio.
- Other operating income was €65 mn, decreased by 38% y-o-y, mainly due to the decrease in real estate revenues resulting from the deterioration of the economic activity in this sector particularly.
- Cost to income ratio was 53% versus 49% in H1 '08, improved on a quarterly basis (50% vs 57% in Q1), while the cost to average assets ratio was 1.5% (vs 1.7% H1'08).

Analysis of Selective Revenue Data (mn €)	**H1 '09**	**Δ% y-o-y**
Net fee & commissions Income		
Commercial Banking	**81**	-20%
Investment Banking	**16**	-17%
Asset Management	**4**	-43%
Total	**101**	**-21%**
Other Operating Income		
Financial sector subsidiaries	**31**	-33%
Real estate subsidiaries	**32**	-40%
Other subsidiaries	**1**	-73%
Total	**65**	**-38%**

It is reminded, that 68% of the Group's branches have less than 5 years of operation, indicating the significant potential for strengthening volumes and revenues.

Group Cost Analysis

The containment of operating expenses continued, resulting in a marginal increase of 1% in H1'09 vs. H1'08. This trend is even more important, noting that during the last 12 months, 45 new branches were added to the Group (+5% y-o-y), 15 in Greece and 30 abroad.

Operating cost in Greece decreased by 3% y-o-y (or -4% on a comparable basis excluding costs related to the new branches). The cost of the Bank's international operations decelerated to +12% significantly (or +7% on a comparable basis excluding costs related to the new branches).

Cost Analysis (mn €)	**H1 '09**	**Δ% y-o-y**
Operating Cost		
Greece on a comparable basis	**284**	-4%
International operations on a comparable basis	**126**	+7%
New Branches (last 12 months)	**7**	-
Total	**417**	**+1%**

The significant cost containment is attributed to a sequence of initiatives that continue (expenses evaluation from a zero basis, centralizations, etc), in line with the Group's objective to maintain the expenses at the 2008 level.

Staff expenses amounted to €203 mn, recording a decrease of 3% y-o-y. General administrative expenses reached €170 mn increased by 4% the same rate as the growth of the branches network.

Analysis of Selective Cost Data (mn €)	**H1'09**	**Δ% y-o-y**
Staff Expenses		
Greece	**148**	-5%
International Operations	**55**	+3%
Total	**203**	**-3%**
General Admin. Expenses		
Greece	**115**	+1%
International Operations	**55**	+10%
Total	**170**	**+4%**

The number of employees reached 13,800, of which 6,826 employees in Greece and 6,974 abroad.

Group's Provision Expense

Impairment losses on loans and receivables were €207 mn, compared to €83 mn in H1'08. As a percentage on average loans, the provision charges reached 107 bps (75 bps in Greece and 215 bps for the international operations) versus 49 bps at a Group level in H1'08 and 83 bps in Q1'09. On a quarterly basis provision charges as percentage of the average loans reached 131 bps (95 bps in Greece and 254 bps abroad).

Group's Provision Charges

The provision charges as a percentage of the Group's average loans are 'coherent' with the structure of the loan portfolio and Piraeus Group's risk profile. In particular, 70% of the Group's loans have been granted to businesses and 30% to individuals, out of which 17% are mortgages and only 13% are consumer loans (20% of the latter with collaterals). As a result, about 70% of the total loan portfolio is collateralized.

These facts have led to a NPLs ratio below the respective average of the Greek market by 30-40% throughout the years, while in today's conditions this difference seems to be further widening in favor of Piraeus Bank.

Profit & Loss in Greece- International

The Group's assets in markets outside of Greece constitute 18% of the Group's total assets, with a broad dissemination (presence in 9 countries). International operations represent 59% of the Group's branch network and 51% of the Group's human resources.

International operations' pre-tax profit in H1 '09 amounted to €53 mn (-37% y-o-y), adversly affected from the tripled provisions. Net revenues recorded an increase of 20%, while operating expenses increased by 12% (or 7% excluding new branches expenses).

International operations' pre tax and provisions profit amounted to €148 mn (+28% y-o-y). As a percentage on average loans, pre tax and provisions profits reached 3.3% while provision costs reached 2.1%, a fact that highlights the buffer that the Group possesses in order to absorb new provisions in the case that the economic activity in SE Europe further deteriorates.

Results Analysis per Geography (mn €)	**H1 '09**	**Δ% y-o-y**
Net operating revenues		
Greece	**501**	-18%
International Operations	**279**	+20%
Total	**780**	**-8%**
Operating Costs		
Greece	**286**	-3%
International Operations	**131**	+12%
Total	**417**	**+1%**
Pre Provision Profit		
Greece	**220**	-31%
International Operations	**148**	+28%
Total	**368**	**-16%**
Provision cost		
Greece	**112**	+119%
International Operations	**95**	+200%
Total	**207**	**+150%**
Pre Tax Profit		
Greece	**108**	-60%
International Operations	**53**	-37%
Total	**161**	**-54%**

Recent Developments

On July 2, 2009 Piraeus Bank and BNP Wealth Management announced the conclusion of a strategic partnership in Wealth Management in the countries where Piraeus Bank Group is present. This partnership, which is expected to commence in the 4th quarter of 2009 after the appropriate regulatory authorizations will significantly enhance the Group's activities in this sector.

On July 13, 2009 Piraeus Asset Management Mutual Funds S.A., announced the agreement to undertake the management of the five (Greek) Mutual Funds of ING Mutual Fund Management S.A. In addition, Piraeus Asset Management Mutual Funds S.A. will proceed to an agreement with ING Hellenic Insurance Company S.A. regarding the promotion of these Mutual Funds to investors, thus enhancing its existing co- operations with yet another high-quality distribution network. This relevant agreement is subject to the appropriate regulatory approvals.

Share Price Data

During the last twelve months, Piraeus Bank's closing share price varied between €18.31 (maximum, on 02.09.08) and €3.23 (minimum, on 05.03.09). Piraeus Bank's capitalization on August 25, 2009 amounted to €3.7 bn, ranked in the 8th position on the ATHEX. The number of common shares at the end of June was 336,272,519, while the adjusted average number of shares traded was 325,205,073 (basic EPS calculation). Piraeus Bank's share liquidity remained high at 95% (July '08-June '09) versus 70% of the FTSE/ASE banking sector and 50% of the ATHEX total listed shares.

Actions to support 'Green Business'

Piraeus Bank, consistent with its initiatives undertaken in the recent years, has developed a new policy for supporting green business (Green Banking), thus strengthening its commitment to continue financing environmentally friendly activities. Within this framework, the Bank established the Green Banking General Division, while on July 09, 2009 it announced the allocation of another €1.2 bn within the next two years to finance enterprises and individuals, in the field of green business. This decision comes in addition to the funds of €500 mn that have already been approved for investments in this field.

These product groups are geared for investments in Renewable Energy Sources, energy efficiency, waste management, «green» transportation, organic farming, agrotourism-ecotourism and green chemistry products.

On August 14, 2009, the first leasing loans securitisation of Piraeus Leases S.A. was concluded with a total issue size of €540 mn. On the same day, the second securitization of consumer loans of the Bank was concluded with a total issue size of €558 mn. Finally on August 17, 2009 the third securitization of business loans of the Bank was concluded with a total issue size of €2,352 mn.

Piraeus Bank, taking into account its strong capital base and liquidity position and after having received the appropriate approval of the Bank of Greece, will proceed to the early redemption of the €400 million Lower Tier II bond on September 29, 2009 in accordance with the original terms and conditions of the issue conducted by its subsidiary Piraeus Group Finance PLC.

Business Plan through to 2010

Due to the deterioration of the global economy, as it has been highlighted in all the financial results announcements since September 2008 onwards, Piraeus Group activity has been adjusted to the new conditions, while all the basic assumptions of the Business Plan through to 2010 which was developed and announced in October 2007 have deviated substantially. Consequently, the Business Plan through to 2010 that was based on those assumptions is no longer valid.

Athens, 26 August 2009