

Organic Profitability Increased by 5% – Capital Strengthening Initiatives

Athens - 26 November 2010

Management Statements

Despite the difficult economic situation, the serious efforts that have been made to stabilize the economy along with the recent gradual normalization of the banking environment in Greece, have created the preconditions that enable the Bank to proceed with a share capital increase of €800 mn to further enhance its capital base and safeguard its balance sheet. The Bank has received underwriting commitments, in respect of the full amount of the Rights Issue from a syndicate of international financial institutions. Upon this proposition, the Bank's major shareholders have responded very favourably.

The strengthening of the Bank and the prudent management which is applied to issues of liquidity, asset quality and operating expenses will enable the Bank to address the economic conjuncture effectively and will create the prospects for exploiting growth opportunities when the conditions permit it.

Michalis Sallas, Chairman & CEO

During the 9m'10, the Group's pre-provision profitability excluding trading results increased by 5% y-o-y and reached €490 mn. The most significant contribution came from net interest income, which increased by 10% y-o-y and amounted to €897 mn, and €305 mn in Q3'10, which constitutes the best performance in the Bank's history. Operating costs were maintained at the level of 9m'09, while the goal for the full year 2010 is to be lower than 2009. Provisions increased by 26% y-o-y reaching €418 mn mainly attributed to the economic conditions in Greece, with the coverage of loans in arrears by provisions and tangible collaterals to reach 112%. Group deposits recorded a quarterly increase of €356 mn, after 4 consecutive quarters of contraction, marking an inflection point in Greek deposits.

Stavros Lekkas, Deputy CEO

Management Statements ... 1
 Performance Highlights ... 2
 Selective Data ... 3
 Volumes Evolution ... 4
 Asset Quality - Capital ... 5
 Results ... 6
 Results Greece-International ... 6
 Revenues, Op.Cost, Provisions... 7
 Share Price Data ... 8

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Piraeus Bank Group (www.piraeusbank.gr) was founded in 1916 and was listed in the Athens Stock Exchange in 1918. The Bank operated through a period of private-ownership and management and in 1975 it passed to state-ownership until 1991 when it was privatized again. Since then, it has continuously grown in size and activities. At the end of September 2010, the Group possessed a network of 882 branches (361 in Greece and 521 internationally) and employed 13,414 people (6,493 and 6,921 respectively). Piraeus Bank Group's total equity (including the preferential shares of the Greek State) amounted to €3.4 bn, customer deposits to €30.0 bn, net loans €38.0 bn and total assets to €57.6 bn.

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 Performance Highlights 1 January – 30 September 2010

9m 2010 Results

- Pre-provision profit excluding trading results increased by 5% y-o-y at €490 mn (€469 mn in 9m'09).
- Pre-provision profit reached €461 mn, -24% y-o-y (€603 mn in 9m'09). This decrease was mainly attributed to trading results (€29 mn trading losses compared to trading gains of €135 mn in 9m'09).
- Net interest income amounted to €897 mn, +10% y-o-y (€812 mn in 9m'09). The stabilization of deposit cost at high levels was offset by the systematic repricing of all loan products both in Greece and internationally. The best quarterly performance in net interest income for the Group historically (€305 mn).
- NIM in 9m'10 (net interest income on average interest earning assets) increased to 2.7% compared to 2.6% in 9m'09.
- Operating costs remained flat y-o-y (€636 mn). For the full year 2010, operating costs are expected to be lower compared to 2009.
- Provisions amounted to €418 mn (+26% vs. €331 mn in 9m'09) corresponding to 143 bps on average loans (114 bps in 9m'09) as a response to the deteriorating economic environment in Greece in Q3'10 (GDP growth rate Q3'10 -4.5% y-o-y compared to -4.0% y-o-y in Q2'10).
- Net profit attributable to shareholders was €41 mn, versus €219 mn in 9m'09. The result was further burdened by the one-off tax of €28 mn imposed for 2009 profits. Net profit in 9m'10 amounted at €14 mn.

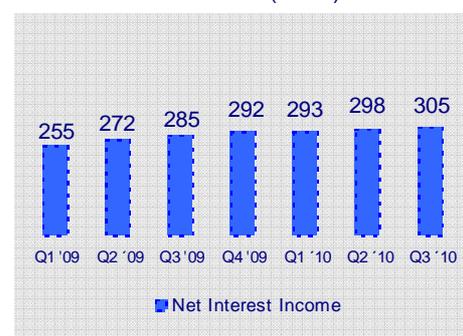
Volumes as of September 30th 2010

- Total Assets reached €57.6 bn, increased by 10% y-o-y.
- Net loans amounted to €38.0 bn, increased by 1% y-o-y.
- Deposits stood at €30.0 bn (-4% y-o-y). Quarterly increase €356 mn (+1%) stemming both from domestic and international operations, after 4 consecutive quarters of contracting domestic deposits.
- "Loans to deposits" ratio at 108%, adjusted for self funded loans, Improved by 3 percentage points compared to June'10.
- Loans in arrears above 90 days stood at 6.8%, with the respective provision coverage ratio at 49%, marginally improved y-o-y. The coverage ratio reached 112%, when the tangible collaterals are taken into account.
- Total equity stood at €3.4 bn. Regulatory capital amounted to €3.6 bn with capital adequacy ratio of 9.7%, Tier I at 8.8% , Equity Tier I at 7.5%.
- The Bank announced its intention to proceed with a share capital increase of €800 mn via the offering of pre-emptive rights to existing shareholders at the beginning of 2011, with the aim to further strengthen its position in the midst of unfavourable macroeconomic conditions in the Greek market. The proposed share capital increase would have resulted in proforma capital ratios of Equity Tier 1 9.5%, Tier 1 10.8% and Total Capital Adequacy Ratio 11.7%, as of 30.09.2010

Results Evolution (€ mn)



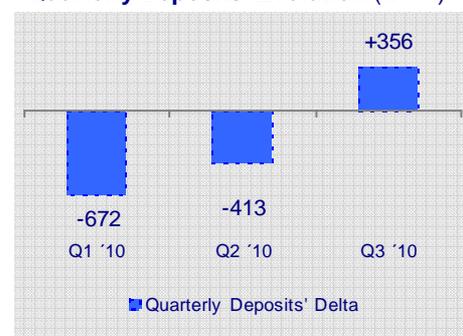
NII Evolution (€ mn)



Operating Cost Evolution (€ mn)



Quarterly Deposits' Evolution (€ mn)



Key Figures of Piraeus Bank Group in September 2010

(balance sheet data at the end of the period, income statement data for the 9month period)

Consolidated Data	30 September 2010	30 September 2009	Δ y-o-y
Selective Volume Figures (€ mn)			
Assets	57,559	52,252	10%
Net Loans	37,960	37,451	1%
Deposits & retail bonds	30,027	31,410	-4%
Debt Securities to Institutional Investors	3,151	4,052	-22%
"Self-funded" Loans	5,464	4,965	10%
Total Equity	3,362	3,749	-10%
▫ Common Shareholders' Capital	2,863	3,234	-11%
▫ Minorities	134	149	-10%
▫ Preference Shares	366	366	0%
Regulatory Capital Tier I	3,324	3,537	-6%
Summary Results (€ mn)			
Net Interest Income	897	812	10%
Net Fee & Commission Income	148	155	-4%
Trading Results	-29	135	>-100%
Other Income	81	128	-36%
Total Net Revenues	1,097	1,229	-11%
Total Operating Costs	636	637	0%
Pre-provision Profit	461	603	-24%
Organic profitability (Pre-trading and provision Profit)	490	469	5%
Provisions	418	331	26%
Pre-tax Profit	42	272	-84%
Net Profit Attributable to Shareholders	41	219	-81%
One-off tax for profits posted in 2009*	28	-	
Net Profit Attributable to Shareholders including one-off tax	14	219	-94%
* total one off tax €27.6 mn, attributed to shareholders €27.3 mn			
Other Key Information (%)			
Loans / Deposits (adj. for 'self funded' loans)	108.2%	103.4%	480 bps
NPLs > 90 days	6.8%	4.8%	198 bps
Coverage of NPLs > 90 days	48.5%	47.8%	71 bps
NIM to Average Earning Assets	2.67%	2.58%	9 bps
Cost / Income	58.0%	51.8%	613 bps
Cost / Income (excluding trading)	56.5%	58.2%	-175 bps
Cost / Average Assets	1.52%	1.59%	-7 bps
Provision Expenses to Average Loans	1.43%	1.14%	29 bps
Capital Adequacy (Basel II)	9.7%	10.3%	-60 bps
▫ Tier I ratio	8.8%	9.5%	-67 bps
▫ Core Tier I	7.9%	8.1%	-64 bps
▫ Equity Tier I ratio	7.5%	8.1%	-63 bps

Volumes Evolution

Deposits (including retail bonds) amounted to €30.0 bn at the end of September 2010, decreased by 4% y-o-y. The loans / deposits ratio stands at 108% compared to 103% a year ago.

Group Deposits per Quarter 2010 (€ mn)



Deposits Evolution in 9m'10

At the end of September 2010, Group's deposits in Greece amounted to €24.4 bn while deposits stemming from international operations reached €5.7 bn. In Q3'10 Group deposits increased by 1.2% versus -1.4% in Q2'10 and -2.2% in Q1'10. In Greece, deposits increased by 0.5% respectively vs -2.5% in Q2'10 and -3.9% in Q1'10, while international deposits continued their positive performance in Q3'10 recording an increase of 4.3% and contributing to a total increase of 16.3% y-t-d.

During 9m'10, Greek market deposits decreased by 7%; this was attributed mainly to households. In Q3'10, the Greek market deposits were increased slightly by €0.4 bn, as opposed to the significant reductions that were noted in the previous quarters.

At the end of September 2010, group net loans amounted to €38.0 bn with an increase of 1% y-o-y. In Greece, the loan portfolio balance amounted to €30.0 bn (+3% y-o-y), while loans from international operations amounted to €8.0 bn (-4% y-o-y).

Per customer category, at the end of September '10:

- total business portfolio increased by 2% y-o-y,
- loans to individuals increased by 3% y-o-y with mortgages +4% and consumer loans and credit cards +2%,
- loans to medium and small businesses constituted 46% of total loans, loans to individuals 30% and loans to large enterprises accounted for 24%.

Group Volume Analysis (€ mn) Sept.'10 Δ% y-o-y

Loans per Type

Loans to Businesses	27,410	2%
Loans to individuals	11,846	3%
Total Loans	39,257	2%
Cumulative Provisions	1,297	47%
Net Loans	37,960	1%

Deposits per Type

Sight-Savings	9,012	-4%
Term	21,015	-4%
Total Deposits	30,027	-4%

Evolution of non-performing loans in 9m '10

Greek market NPLs ratio reached 9.0% in June 2010 (last available data) from 7.7% at the end of 2009. Per loan market segment, the NPLs ratio for business loans stood at 7.6%, 16.7% for consumer loans and 8.7% for mortgages.

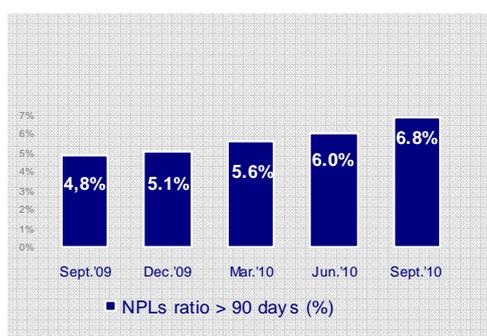
Piraeus Group's NPLs in Greece increased to 6.3% in September 2010 vs 5.5% in June 2010, however remaining significantly lower than the market average. The NPLs ratio for business loans stood at 3.9% compared to 3.3% in June 2010.

The main reasons that enable the Bank to achieve a higher loan portfolio quality in a difficult economic environment is the selective exposure to consumer loans (no expansion in consumer factoring, relative low market share in credit cards), focus in the segment of medium enterprises with strong collaterals and in general, the Group's prudent management and strict credit policy.

Asset Quality

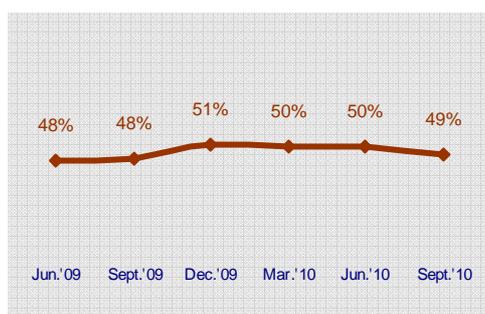
Loans in arrears over 90 days ratio reached 6.8% in 30.09.2010 (6.7% adjusted for the amount of loan deleverage in Q3'10) versus 6.0% in 30.06.2010. This increase is mainly attributed to the business portfolio in Greece, as businesses are suffering from the slowdown in economic activity (-4.5% GDP growth rate vs -4.0% in Q2'10).

Loans in Arrears > 90 days (%)



The NPLs>90 days coverage from cumulative provisions stood at 49% at the end of September 2010 from 48% a year earlier. The write-offs of 9m'10 reached €103 mn. The average NPLs coverage ratio from provisions in the Greek market stood at 43% at end of June '10 (source: BoG)

Coverage Ratio of NPLs > 90 days (%)



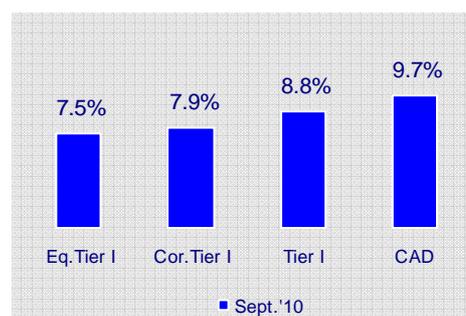
Capital – Capital Adequacy

At the end of September 2010 the Group's total equity stood at €3.4 bn which remained unchanged compared to June 2010. Shareholder's equity (excluding State's preference shares) increased by 1% at €2,863 mn

At the end of September 2010 the capital adequacy ratio stood at 9.7% with Tier I at 8.8%. Core Tier I ratio amounted to 7.9% excluding the preference shares and adjusting hybrid for intangible assets. According to the international definition of Equity Tier I (excluding hybrid and preference shares), the ratio reached 7.5%. The aforementioned capital adequacy ratios will increase by 200 bps with the completion of the €800 mn share capital increase.

The Group's total regulatory capital was €3.6 bn at the end of September 2010.

Capital Adequacy & Quality Ratios (%)



Evolution of Results

Pre-trading and provision profit for 9m'10 increased by 4% and reached €490 mn against €469 mn in 9m'09. Including trading results, pre-provision profit for 9m'10 reached €461 mn against €603 mn in 9m'09, reduced by 24%, due to trading losses of €29 mn against profits of €135 mn in 9m'09.

The increase in recurring revenues has been significant with the main contributor net interest income which recorded a 10% y-o-y increase and reached €897 mn.

Operating costs amounted to €636 mn and have remained stable on an annual basis in line with the target for the end year (total operating expenses are expected to be lower than 2009).

The results of the 9m'10 were burdened from the 26% y-o-y increase in provisions, due to the adverse economic conditions. Hence, provision expense reached €418 mn.

Net adjusted profit in 9m'10 stood at €41 mn versus €219 mn a year ago. However, including the one-off tax of €28 mn, which was imposed on all large Greek companies for profit posted in 2009, net profit amounted to €14 mn, reduced by 94%.

Profitability of International Operations

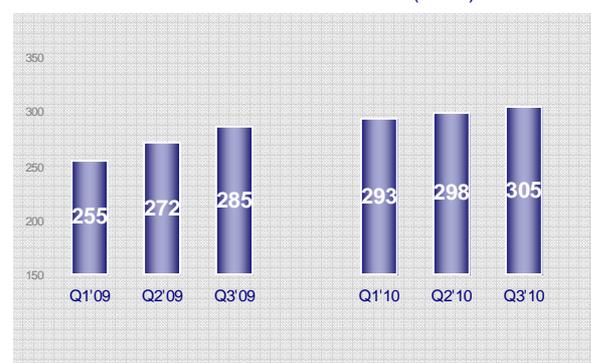
International assets constitute 21% of the Group's total assets, with a broad dissemination (presence in 9 countries). International operations represent 49% of Group's pre provision profit, 37% of Group's net interest income, 59% of the Group's branch network, and 52% of the total personnel employed by the Group.

International operations' pre-tax and provisions profit in 9m'10 amounted to €227 mn, decreased by 2% y-o-y.

Pre-tax profit from international operations during 9m'10 reached €54 mn reduced by 33% y-o-y, due to the increase of provisions by 15% y-o-y. Net revenues recorded an annual growth rate of 2%, whereas operating costs increased by 7%. As percentage of the average loans, pre-provision profit stood at 3.5% at the same level as in 9m'09, while provision expense stood at 2.7% vs 2.3% respectively.

Results (€mn)	9m '10	Δ% y-o-y
Pre-provision profit (excluding trading results)	490	5%
Pre-provision profit	461	-24%
Provision Expense	418	26%
Pre-tax profit	42	-84%
Net profit	14	-94%
Net profit excluding one-off tax	41	-81%

Net Interest Income (€ mn)



Analysis of Results	9m '10	Δ% y-o-y
Greece – International (€ mn)		
Net Operating Revenues		
Greece	660	-18%
International	436	2%
Total	1.097	-11%
Operating Costs		
Greece	426	-3%
International	210	7%
Total	636	0%
Pre-provision profit		
Greece	234	-37%
International	227	-2%
Total	461	-24%
Provision Expense		
Greece	246	36%
International	173	15%
Total	418	26%
Pre-Tax Profit		
Greece	-12	-
International	54	-33%
Total	42	-84%

Revenue Analysis

Total operating revenues in 9m '10 stood at €1,097 mn, reduced by 11% vs 9m '09. In more detail:

- Net Interest Income reached to €897 mn recording an increase by 10% y-o-y due to the improved return on asset side which offset the increased cost of deposits. In Q3, net interest income amounted to €305 mn increased by 2% q-o-q.
- Net Commission Income amounted €148 mn, reduced by 4% y-o-y, and 8% q-o-q.

Net Commissions (€ mn)	9m '10	Δ% y-o-y
Commercial Banking	126	0%
Investment Banking	16	-30%
Asset Management	6	-5%
Total	148	-4%

- Trading results were negative by €29 mn against profits of €135 mn in 9m '09, due to the negative impact to the trading portfolio, as a result of the significant widening of the Greek bond spreads against German bonds.
- Other Operating Income amounted to €75 mn, reduced by 35% y-o-y mainly attributed to real estate subsidiaries that recorded decreased revenues due to the slowdown of economic activity. 93% comes from financial services companies, with the larger part stemming from operating leasing activities.

Operating Expenses Analysis

Operating expenses in 9m'10 remained almost at the same level of the respective period last year (€636 mn vs €637 mn respectively). The operating costs in Greece decreased by 3% on a yearly basis, while abroad increased by 7%.

Cost containment, remains a priority target for 2010 and 2011. To this end, a sequence of initiatives are being implemented such as a new program that was launched to finance a long term sabbatical leave for the Group's employees, which offers the option to an employee to leave his work 1-3 years and receive 40%-50% of their salary.

Additionally the remuneration of the Board of Directors, Executive Board and other senior management members was reduced.

Personnel costs reached €299 mn with 2% reduction y-o-y. Other administrative expenses amounted to €265 mn, flat y-o-y.

Analysis for Selected Cost Elements (€ mn)	9m '10	Δ% y-o-y
Personnel Costs		
Greece	212	-5%
Abroad	87	6%
Total	299	-2%
Administrative Expenses		
Greece	181	-1%
Abroad	84	3%
Total	265	0%

Operating costs to average assets stood at 1.5% versus 1.6% in 9m'09. The cost to income ratio stood at 58.0% from 51.8% in 9m '09. On a quarterly basis the ratio was to 59.4% from 55.3% in Q1 '10 and 55.3% in Q2 '10. Cost to income ratio excluding trading results in the 9m'10 improved to 56.5% from 58.2% in 9m '09.

Provision Expense

The level of provisions for loan impairments rose to €418 mn in 9m'10 vs €331 mn in the respective period of 2009, recording an increase of 26% as a consequence of the deteriorating economic environment especially in Greece.

Expressed as a percentage of average loans, the provision expense reached 143 bps (108 bps for Greece and 268 bps abroad) from 114 bps at group level in 9m'09 (81 bps in Greece and 228 bps abroad).

The coverage ratio stood at 49% in September 2010 from 48% a year ago.

Share Price Data

During the last twelve months, Piraeus Bank's closing share price varied between €10.80 (maximum, on 02.12.09) and €3.03 (minimum, on 24.11.10).

Piraeus Bank's capitalisation on 25.11.10, amounted to €1.0 bn, ranked in the 11th position on the ATHEX. The number of common shares at the end of September 2010 was 336,272,519.

Piraeus Bank's share liquidity remained high at 73% (Jan.'10-Sept.'10) versus 45% of the FTSE/ASE banking sector and 31% of the ATHEX total listed shares.

Athens, 26 November 2010

Note: Financial Data and Information coming from the 9m 2010 Financial Statement will be published in the press on November 27, 2010 and will be available along with the financial statements on the Bank's corporate site www.piraeusbank.gr after the trading session of ATHEX on November 26, 2010.