

PIRAEUS BANK S.A.

Companies registration number 6065/06/B/86/04

Head Office: 4, Amerikis st., 105 64, Athens, Greece

FINANCIAL STATEMENTS INFORMATION FOR THE YEAR ended as at DECEMBER 31st, 2008

(Published according to Codified Law 2190/20, art. 135 for companies preparing annual financial statements, consolidated or not, according to the IFRS)

COMPANY'S	S PROFILE			в	OARD OF DIRI	ECTORS CO	MPOSITION		INCOM	E STATEMENT INFORMA	TION		
Responsible Authority:	Ministry of Development			Michael G. Sallas		Chairman and C				Amounts in thousand euros			
mpany's web side: www.piraeusbank.gr te of Approval of Financial Statements: March 12th, 2009 e Certified Auditor: Vassilios C. Goutis				Theodoros N. Par Alexander S. Mar Stavros M. Lekka	nos Ikos	s Managing Director Managing Director				GRO 1 Jan - 31 Dec 2008 1		BA 1 Jan - 31 Dec 2008 1	
Auditing Company: Type of Review Report:	Non qualified Ilias D. Milis Spiridonas A. I Konstantinos F			Christodoulos G. Ilias D. Milis Spiridonas A. Pap Konstantinos P. A Ioannis V. Vardin	Deputy Managing Director lapaspirou Deputy Managing Director . Aggelopoulos Non-Executive Vice-Chairman				Interest and similar income Interest expenses and similar charges Net interest income	3,897,769 (2,737,999) 1,159,770	2,662,084 (1,745,115) 916,969	3,230,268 (2,380,580) 849,688	2,321,51 (1,616,17 705,34
				Georgios P. Alexa Fotini A. Karamar Theodoros P. My Hariklia A. Apalag	andridis nli Ionas gaki	Independent No Independent No Independent No Non-Executive N	on-Executive Me on-Executive Me on-Executive Me Member	ember	Fee and commission income Fee and commission expense Net fee and commission income	285,622 (43,975) 241,647	274,514 (48,047) 226,467	151,700 (44,086) 107,614	128,14 (38,30 89,84
				Eftyhios Th. Vass lakovos G. Georg Stylianos D. Gkol Vassilios S. Fourl	ganas Iemis	Non-Executive No	Member Member		Dividend income Net trading income Net income from financial instruments designated at fair value through profit or loss	25,887 (13,348) 20,706	10,307 49,671 11,625	47,496 (72,950) 17,587	35,48 26,01 11,61
				71011					Gains / (losses) from investment securities Other operating income Total net income	297 216,737 1,651,696	172,385 245,685 1,633,109	(44,761) 31,868 936,542	178,49 33,80 1,080,6
	ВА	BALANCE SHEET INFORMATION Amounts in thousand euros							Staff costs Administrative expenses	(442,076) (382,516)	(379,022) (303,935)	(266,401) (263,826)	(254,1 (227,5
100570	31 Dece	GRO mber 2008	UP 31 Decemi	ber 2007	31 Decer	BAN mber 2008	IK 31 Decem	ber 2007	Gains / (losses) from sale of assets Depreciation and amortisation Impairment losses on loans and receivables	4,978 (76,979) (386,303)	12,202 (66,062) (115,478)	(203,020) (99) (29,251) (239,876)	(227,5 76 (34,52 (67,09
ASSETS Cash and balances with central banks Treasury bills and other eligible bills		3,740,708 207,023		3,400,169 214,819		2,486,574 0		2,066,182 0	Other provisions Total operating expenses Income from investments in associated undertakings Profit before tax	(1,881) (1,284,777) 18,869 385,788	(428) (852,723) 4,927 785,313	(799,453) 	(582,5
Loans and advances to credit institutions Derivative financial instruments - assets Trading securities Financial instruments at fair value		2,348,289 366,253 1,300,519		2,611,891 83,216 4,506,731		4,636,273 356,820 1,166,899		4,296,193 76,325 4,403,891	Tax for the year Profit after tax	<u>(54,521)</u> 331,267	(133,854) 651,459	(23,941) 113,148	(74,9 423,1
through profit or loss Loans and advances to customers Loans and advances to customers	39,015,655	89,224	30,704,808	508,137	33,964,553	84,984	27,080,117	508,137	Less: Minority interest in profit after tax Profit after tax attributable to Piraeus Bank shareholders	<u> </u>	<u> </u>	113,148	423,1
Less: Provisions for losses on loans and advances Investment securities Available for sale securities Held to maturity	(702,987) 875,892 3,372,205	38,312,668 4,248,097	(416,024) 1,383,628 110,356	30,288,784 1,493,984	(481,935) 792,700 3,263,095	33,482,618 4,055,795	(317,158) 1,274,431 0	26,762,959 1,274,431	Profit after tax per share (in euros) : - Basic - Diluted	0.9736 0.9736	2.1364 2.1266	0.3496 0.3496	1.45 1.44
Debt securities - receivables Investments in associated undertakings Investments in subsidiaries Intangible fixed assets		527,699 219,399 0		0 116,946 0		527,699 181,497 1,815,390		0 105,011 1,694,920	Proposed dividend per share (in euros)				0.72
Goodwill Other Intangible fixed assets Property, plant and equipment	200,921 102,073	302,994 970,990	179,586 85,049	264,635 863,430	0 37,794	37,794 317,266	0 21,200	21,200 252,997	STATEMENT OF	CHANGES IN EQUITY IN Amounts in thousand euros	IFORMATION		
Investment Property Assets held for sale		710,374 10,557		692,799 4,696		42,676 0		39,562 0		GRO	UP	BA	NK
Other assets Deferred tax assets Inventories - property	254,421 186,069		144,397 182,743		216,939 72,577		113,033 51,734			1 Jan - 31 Dec 2008 1		1 Jan - 31 Dec 2008 1	
Other assets TOTAL ASSETS	1,094,572	1,535,062 54,889,856	1,049,963	1,377,103 46,427,340	731,196	1,020,712	676,736	841,503 42,343,311	Opening balance (01.01.2008 and 01.01.2007 respectively) Net change in available for sale investments, net of tax Change in currency translation reserve Profit/Loss from sales of treasury shares	3,309,579 (177,399) (58,248) (13,431)	1,832,420 (94,651) (35,037) 2,973	2,944,285 (163,860) - (13,431)	1,628,0 (96,8
LIABILITIES									Net income recognised directly in equity Profit after tax for the year Total recognised income	(249,078) 331,267 82,189	(126,715) 651,459 524,744	(177,291) 113,148 (64,143)	(93,9 423,1 329,2
Due to credit insitutions Derivative financial instruments - liabilities Due to customers		14,121,872 369,692 28,380,817		10,705,784 87,038 22,067,315		14,445,532 360,907 24,109,587		10,704,842 83,609 19,030,022	Prior year dividends Interim dividend for the year Issue of share capital by cash distribution Issue of share capital due to exercise of share options	(120,338)	(94,105) (117,598) 1,316,689 19,644	(118,122)	(86,46 (117,59 1,316,6 19,6
Debt securities in issue Hybrid capital and other borrowed funds Hybrid capital (Tier I) Subordinated debt capital (Tier II)	201,444 765,959	6,488,225 967,403	193,406 795,831	7,788,572 989,237	201,444	6,778,951 963,745	193,406 791,735	7,707,932 985,141	Share capital increase due to reinvestment of dividends Share capital decrease due to cancellation of treasury shares Cancellation of treasury shares Purchases/Sales of treasury shares	15,987 (234,170) 234,170 (150,628)	- - (153,560)	15,987 (234,170) 234,170 (150,628)	(153,56
Other Liabilities Retirement benefit obligations Deferred tax liabilities Other provisions	198,605 127,770 24,160		169,604 134,354 3,750		173,222 50,187 10,665		162,193 61,207 10,360		Acquisitions, disposals and movement in subsidiaries holding Other adjustments Closing balance (31.12.2008 and 31.12.2007 respectively)	(103,866) (7,723) 3,025,200	(11,334) (7,321) 3,309,579	(3,552) 2,623,827	8,1 2,944 ,2
Current income tax liabilities Other liabilities	98,758 1,087,354	1,536,647	97,851 1,074,256	1,479,815	62,848 633,526	930,448	60,988 592,732	887,480					
Total Liabilities		51,864,656		43,117,761		47,589,170		39,399,026	CASH FL	OW STATEMENT INFORM Amounts in thousand euros	IATION		
EQUITY										GRO	UP	BA	NK
Share capital Share premium Less: Treasury shares		1,571,923 927,775 (167,321)		1,617,977 1,099,903 (250,863)		1,571,923 927,775 (167,319)		1,617,977 1,099,903 (250,860)	Total inflows/ (outflows) from operating activities Total inflows/ (outflows) from investing activities	1 Jan - 31 Dec 2008 1 3,746,167 (2,161,990) (4, 607, 763)	(2,367,905) (445,921)	1 Jan - 31 Dec 2008 1 4,676,849 (2,365,009)	(1,406,5 (948,7
Other reserves and retained earnings Piraeus Bank shareholders' equity Minority interest Total Equity		543,772 2,876,149 149,051 3,025,200		614,997 3,082,014 227,565 3,309,579		291,448 2,623,827 2,623,827		477,265 2,944,285 - 2,944,285	Total inflows/ (outflows) from financing activities Net increase/ (decrease) in cash and cash equivalents of the year Effect of exchange rate changes on cash and cash equivalents Total inflows/ (outflows) for the year	(1,597,767) (13,590) (39,713) (53,303)	3,485,380 671,554 (18,787) 652,767	(1,216,571) 1,095,269 (7,527) 1,087,742	3,452,5 1,097,1 (7,79 1,089,3
									Cash and cash equivalents at the beginning of the year	5,062,568	4,409,801	5,354,552	4,265,2

Notes

The accounting policies, adopted by the Group according to the International Financial Reporting Standards (IFRS), have been applied in consistency with those in the annual financial statements of the year 2007. Piraeus Bank made use of the amendments of International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS), which were published during October 2008 and are effective since 1/7/2008. These amendments are presented at notes 19, 21, 23 and 24 of Consolidated Financial Statement and at notes 18, 20, 22 and 23 of the Bank's Financial Statement of 31/12/2008.

Property, plant and equipment are free of any liens or encumbrances.
 Tax authorities have audited Piraeus Bank's tax position for the years up to and including 2006. The unaudited tax years of Group subsidiaries are included in note 25 of the Consolidated Financial Statements.

4) All disputes under litigation or arbitration, as well as the pending court decisions, are not expected to have a significant effect on the financial position of the Bank and the Group. Therefore the Bank has not raised a provision for outstanding litigations, whereas the Group's provision amounts to € 9.9 million. The provision raised for the unaudited tax years of The bank and the Group sublicities, which are becaused to the part of the part of the bank and t

shareholding percentages by the Bank are included in note 24 of the Financial Statements.

6) The following companies are consolidated under the Full Method of Consolidation as at 31/12/2008 and had not been included in the consolidation as at 31/12/2007: a) Estia Mortgage Finance III PLC, b) Piraeus Insurance Consultant, c) Integrated Storage System Co. and d) Axia Finance PLC. From these companies, the companies numbered (a)-(c) were consolidated under the Full Method of Consolidation as at 30/09/2008, as well. The companies numbered (a) and (d) are newly established. The companies numbered (b) and (c), consolidated as associates until 30/06/2008, were transferred to the subsidiaries' portfolio due to increase in holding percentage. Of the companies consolidated under the Full Method of Consolidation as at 31/12/2007, the following have not been included in the consolidation as at 31/12/2008: a) Exathariseis Aktoploias S.A., b) Piraeus Real Estate Investment Property S.A. and c) ETBA Finance S.A. The companies numbered (a) and (b) were consolidated under the Full Method of Consolidation as at 31/12/2007, and were transferred to the associates' portfolio, as the companies state Mortgage Finance II PLC, Estia Mortgage Finance II PLC, and Axia Finance PLC are consolidated as special-purpose entities. The most important corporate events relating to subsidiaries that took place in the period from 01/01/2008 to 31/12/2008 were: a) the completion of sale on behalf of Arab Bank PLC of its branches and financial services in Cyprus to Piraeus Bank Cyprus LTD on 25/01/2008, b) the optional public offer for the accujustion of shares of the subsidiary company Piraeus Leasing S.A., with an offer price of € 5.30 per share. by cash contribution, submitted by Piraeus Bank S.A. on 24/09/2008, with acceptance period from October 10th 2008 until November 7th 2008. c) on 29/12/2008 the takeover of ETBA Finance S.A., by the Bank was completed and d) on 1/1/2/2008, the marge between the subsidiary company Priarus Leasing S.A., with an Olympic Commercial and Tourist Enterprises S.A., with and Divist Enterprises S.A., with and Divist Enterprises S.A., with and a participation 3/1/1/2/2008, the marge between the subsidiary company of Priarus Bank, Priarus Bank, Driaeus Bast Leasing S.A., with and Divist Enterprises S.A., which had a participation percentage of 48.08%. The Bank participated in Olympic Commercial and Tourist Enterprises S.A. with a percentage of 94%. The participation of Priaeus Bank to the new company established after the merge is 20% and 54.89%, respectively. The relevant events didn't issue a chaiding above 25% of the turnover, or/and the profit after Piraeus Bank S.A. and consequently in the consolidated financial statements. The consolidation of the above mentioned companies does not affect the financial position and profit of the Group. 7) The following companies are consolidated under the Equity Method of Accounting as at 31/12/2008 and had not been included in the consolidation as at 31/12/2007: a) Ekathariseis Aktoploias S.A., b) Piraeus Real Estate Investment Property S.A., c) Proton Bank S.A., e) Abies S.A. and f) Euroterra S.A. The companies numbered (a) and (b) (h) The tolorwing companies are consolidated under the Equity wettoo of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Factor and Equity methods of Accounting as a Childracov and Chi Steel Company. The company numbered (a) was disposed of. The company numbered (b) and (c), consolidated as associate suntil 300/2008, were transferred to the subsidiaries portfolio to a suitable for sale portfolio associate suntil 300/2008. The company numbered (b) and (c), consolidated as associate suntil 300/2008, were transferred to the subsidiaries portfolio to a suitable for sale portfolio as at the logical suntil associated as associate companies that took place in the period from 01/01/2008 to 31/12/2008 and b) on 05/11/2008 and b) on 05/11/2 so the Consolidated Financial Statements include information about the changes in the associates' portfolio of the Group's balances with related parties are as follows: assets € 644.7 million, liabilities € 246.6 million, letters of guarantee € 94.9 million. The Bank's balances with related parties included in the second s

income € 333.4 million and expense € 461.0 million. The balances of assets and liabilities of the Group with members of the Board of Directors and key management personnel amount to € 244.3 million and € 130.1 million respectively. The respective amounts for the Bank amount to € 231.7 million and € 130.1 million. The transactions and remuneration of the Bank and its Group with the members of the Board of Directors and key management personnel amount to $\in 18.0$ million. 9) As at 31st December 2008, Piraeus Group owned a total number of 12,523,754 treasury shares of the parent company Piraeus Bank S.A., at a value of $\in 167,321$ thousand. From these shares, Piraeus Bank S.A. owned a total number of 12,523,754 treasury shares at a value of $\in 167,319$ thousand. 10) On 24/04/08, Piraeus Bank concluded the issuance of its third securitization equal to $\in 800$ million, by securitizing part of its residential mortgage portfolio. On 25/11/2008, Piraeus Bank concluded the issuance of its first SME Loan Backed Transaction equal to $\in 1.750$ million.

11) During the period from 01/01/2008 to 31/12/2008 were concluded: a) the decrease of the Bank's share capital by € 9,644 thousand through cancellation of 10,407,537 treasury shares and b) the increase of the Bank's share capital by € 3,589 thousand with the issuance of 752,478 new ordinary shares of nominal value € 4.77 each, by reinvestment of dividends of a total amount of € 16,073 thousand. The offering price of the new shares was € 21.36 per share and the share premium, minus the relevant share capital increase expenses, was increased by € 12,398 thousand. Following all the above corporate acts, the Bank's share capital currently amounts to € 1,571,023 thousand, following all the share share share and the share premium, minus the relevant share capital increase expenses, was increased by € 12,398 thousand. Following all the above corporate acts, the Bank's share capital currently amounts to € 1,571,023 thousand. ordinary shares of nominal value € 4.77 each.

12) On 5/11/2008 Piraeus Bank acquired 31,31% of Proton Bank at the amount of € 24.7 million. The above acquisition took place via exchange of 19,629,247 shares of Proton Bank to 2,379,303 treasury stocks of Piraeus Bank.

13) Piraeus Bank S.A. announces that its Extraordinary General Meeting of Shareholders which was held on 23/01/2009 approved the share capital increase by € 370,000,000 with the issuance of 77,568,134 preferred shares of a nominal value of € 4.77 each and cancellation of the preemptive right of existing shareholders in favor of the Greek State in accordance with the provisions of law 3723/2008, providing enhanced liquidity to the economy to address the consequences of the international financial crisis.

accurate with the provisions of any 3222/2000, provisions of article 16, paragraph 8 and of article 45, paragraph 1 and 2 of Case. 14) In accordance with the provisions of article 16, paragraph 8 and of article 45, paragraph 1 and 2 of Case. 190/1920 in conjunction with the provisions of article 16, paragraph 1 and 2 of Cost. Law 2190/1920 in conjunction with the provisions of article 16, paragraph 3 of Law 3723/2008, the dividend to be distributed may not exceed the maximum amount determined by the provisions of Development Law 148/1967, which is namely 35% of the distributable profils of the fiscal year 2008. Moreover, pursuant to the Bill no. 522/25-2:2009 on "amendments to Law on Dematerialised Securities System, on the Capital Market, taxation issues and other provisions", tabled by the Ministry of Economy and Finance, in the event of distribution of dividends for the fiscal year 2008, such distribution must be exclusively in the form of shares.

15) The number of staff employed by the Group and the Bank as at 31st December 2008 was 14,255 and 5,142 respectively. The number of staff employed by the Group and the Bank as at 31st December 2007 was 12,357 and 4,901 respectively.

Athens, March 12th, 2009							
CHAIRMAN OF THE BOARD OF DIRECTORS and CHIEF EXECUTIVE OFFICER	VICE-CHAIRMAN OF THE BOARD OF DIRECTORS and DEPUTY C.E.O.	GENERAL MANAGER	DEPUTY GENERAL MANAGER				
MICHAEL G. SALLAS	THEODOROS N. PANTALAKIS	DIMITRIS D. PAPADIMITRIOU	CONSTANTINOS I. LIAPIS	/			