

Announcement of the CEBS Stress Tests' Result for Piraeus Bank Group

Piraeus Bank Group participated successfully in the pan-European stress test for hypothetical extreme situations for the banking industry, the results of which were announced today. The stress test includes one base (likely, expected), one adverse (especially unfavourable) and one extremely adverse scenario (extremely unfavourable). The objective of the exercise was to investigate the resilience of capital adequacy in the banking industry in Europe, in case of further worsening of the economic crisis, and to define the amount of necessary capital for the restoration of the Tier I capital to 6%, when taking into consideration the adverse scenario and the extremely adverse scenario at the end of 2011.

The criteria that were applied in the case of Greece compared to the rest of European countries were by far the strictest, and they do not reflect the current situation of gradual fiscal adjustment and the smoothing of economic conditions in the country. Indicative of the strict conditions that applied in Greece is that the assessment of the losses in the mortgage portfolio in the extreme adverse scenario for Greece was 37%, when the respective ratio for the immediately next country was at 24%.

The results of the stress tests for the Tier I capital ratio of Piraeus Bank Group for 2011 were the following:

- at the Base scenario **10.9%**,
- at the Adverse scenario **8.3%**,
- at the Extremely Adverse scenario **6.0%**

It is noted that even under the Extremely Adverse scenario the Tier I ratio of Piraeus Bank Group stands at 6.4%, taking into account the fact that the trading portfolio of Greek Government Bonds at 30.06.2010 was significantly decreased (to €0.1 bn against €1.1 bn).

Athens, 23 July 2010