



PIRAEUS BANK S.A.

ATHENS - Companies Register No.6065/06/B/86/04

9th CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2002 (IN EUR)

ASSETS	2002	2001	LIABILITIES	2002	2001
1. CASH IN HAND AND BALANCES WITH THE CENTRAL BANK	592.754.052,41	1.044.489.743,27	1. DEPOSITS FROM CREDIT INSTITUTIONS		
2. TREASURY BILLS AND SIMILAR SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK			a. Sight deposits	44.743.544,45	59.999.231,23
a. State issued bills	90.775.298,26	78.113.403,66	b. With agreed maturity dates or periods of notice	2.358.393.357,88	2.403.136.902,33
3. LOANS AND ADVANCES TO CREDIT INSTITUTIONS			2. CUSTOMER ACCOUNTS		
a. Sight deposits	23.515.924,53	45.280.326,23	a. Deposits	7.482.153.562,24	7.154.179.183,02
b. Other loans and advances to Credit Institutions	229.722.260,64	868.892.892,16	b. Obligations other than deposits		
4. LOANS AND ADVANCES TO CUSTOMERS			ba) Sight	100.389.688,53	170.680.175,28
a. Loans to customers	8.943.386.584,78	6.252.920.592,40	bb) Upon maturity and on notice	10.257.953,63	21.418.835,29
b. Other receivables from customers	127.224.713,60	192.143.326,61	c. Repurchase agreements (Repos)	2.462.598.926,13	10.055.400.130,53
- Less: Provisions	324.538.508,54	128.305.621,51	3. LONG TERM LIABILITIES		
5. BONDS AND OTHER FIXED-INCOME SECURITIES			b. Loan stock	261.009.357,03	0,00
a. State bonds	3.077.934.115,83	2.592.820.804,52	4. OTHER LIABILITIES		
b. Other issuers	439.456.943,33	333.084.363,87	5. DEFERRED INCOME AND ACCRUED EXPENSES	107.003.200,34	107.146.796,68
6. SHARES AND OTHER VARIABLE INCOME SECURITIES less THIRD PARTIES RIGHTS	454.804.670,39	283.098.506,90	6. PROVISIONS FOR LIABILITIES AND CHARGES		
7. INVESTMENT IN NON AFFILIATED COMPANIES	89.358.124,53	81.601.946,39	a. Provisions for staff retirement benefits	1.234.177,58	2.283.775,69
8. INVESTMENT IN SUBSIDIARY AND ASSOCIATE COMPANIES	250.882.231,03	180.075.729,68	b. Provisions for taxes	0,00	124.077,63
9. INTANGIBLE FIXED ASSETS			c. Other provisions	35.129.624,80	36.363.802,38
a. Formation and establishment expenses	9.113.339,06	7.728.845,70	7. SUBORDINATED DEBT		
c. Other intangible fixed assets	160.835.188,82	114.803.528,43	Total Liabilities	4.767.807,76	5.673.436,54
- Less: Accumulated amortization	113.710.281,01	70.709.501,95	II. SHAREHOLDERS FUNDS		
10. TANGIBLE FIXED ASSETS			8. SHARE CAPITAL	548.276.547,52	548.276.547,52
a. Land, building sites	14.586.825,91	6.997.975,92	9. SHARE PREMIUM ACCOUNT	323.098.454,15	378.265.854,66
b. Buildings and installations	135.637.827,03	105.704.297,10	10. RESERVES		
- Less: Accumulated depreciation	49.080.772,90	35.288.148,20	- Ordinary reserve	28.797.541,89	25.527.819,99
c. Furniture, electronic and other equipment	112.362.434,45	101.358.131,91	- Ordinary reserve (from portfolio valuation)	(147.255.424,58)	(65.904.666,81)
- Less: Accumulated depreciation	82.050.786,17	63.137.878,85	- Extra-ordinary reserves	35.799.048,63	24.079.175,63
d. Other tangible fixed assets	7.301.243,84	8.999.985,26	- Tax free reserves	12.105.455,15	11.812.883,16
- Less: Accumulated depreciation	5.038.195,82	4.666.771,75	- Own shares' reserve	49.771.493,96	(20.781.884,95)
e. Assets under construction and prepayments	73.570.417,56	5.014.608,08	11. REVALUATION RESERVE	2.711.289,27	1.899.572,40
f. Land - Buildings (ready) of Industrial Estates	124.952.540,59	0,00	11A. GRANTS FOR FIXED ASSET INVESTMENTS	0,00	87.029,83
- Less: Provisions	9.118.121,79	0,00	12. RETAINED EARNINGS BROUGHT FORWARD		
12. OWN SHARES			- Retained earnings brought forward and restatements	(44.443.751,67)	(7.675.332,18)
13. OTHER ASSETS	250.527.008,87	161.720.350,22	GOODWILL - AMOUNTS WRITTEN OFF	(137.422.478,56)	(230.590.298,00)
14. PREPAID EXPENSES AND ACCRUED INCOME	99.484.580,52	104.508.814,33	Piraeus Bank Shareholders' Total equity	671.438.175,76	740.621.121,65
			MINORITY INTERESTS IN EQUITY	726.297.465,03	103.810.631,85
			Total equity	1.397.735.640,79	844.431.753,50
TOTAL ASSETS	14.787.638.305,48	12.420.747.120,42	TOTAL LIABILITIES AND SHAREHOLDERS FUNDS	14.787.638.305,48	12.420.747.120,42

OFF-BALANCE SHEET ITEMS (LIABILITIES)

	2002	2001
1. CONTINGENT LIABILITIES	1.907.176.479,67	1.403.910.749,19
2. COMMITMENTS ARISING FROM TEMPORARY CONVEYANCE	2.261.351.389,89	2.204.574.151,01
3. OTHER MEMO ACCOUNTS	15.515.890.090,95	13.902.634.296,19
OFF-BALANCE SHEET TOTAL	19.684.417.960,51	17.511.119.196,39

CONSOLIDATED INCOME STATEMENT (1/1 - 31/12)

	2002	2001
1. INTEREST INCOME	190.499.342,73	179.644.032,28
- Interest on fixed income securities	598.616.895,37	789.116.238,10
- Other interest and equivalent income	422.257.203,18	525.587.973,15
Less: 2. INTEREST EXPENSE	366.859.034,92	431.475.774,40
Plus: 3. INCOME FROM SECURITIES		
a. From shares and other variable income securities	14.809.725,96	10.876.320,43
b. From non affiliated companies	2.386.346,77	1.022.296,24
c. From associate companies	1.550.347,69	539.901,69
4 - 5. NET COMMISSION INCOME	88.943.237,40	89.089.132,18
6. NET PROFIT FROM FINANCIAL TRANSACTIONS	474.548.692,74	375.283.883,57
7. OTHER OPERATING INCOME		
a. Other operating income	11.666.062,01	5.181.030,83
b. Income from the operation of Industrial Estates	18.559.876,21	0,00
- Less: Cost of operating Industrial Estates	8.450.948,99	0,00
Less: 8. GENERAL ADMINISTRATIVE EXPENSES	516.796.718,00	490.158.070,04
a. Staff expenses		
- Wages and salaries	129.702.502,85	111.330.932,96
- Social insurance contributions	27.408.927,80	21.888.677,56
- Other expenses - charges	10.934.269,56	11.114.383,10
b. Other administrative expenses	129.060.220,01	129.277.276,07
Less: 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	219.690.797,78	216.546.800,35
11+12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	7.710.184,27	2.736.229,69
OPERATING RESULTS BEFORE DEPRECIATION AND PROVISIONS	211.980.813,51	213.810.570,66
Less: 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	55.949.208,58	49.138.725,72
11+12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	70.649.128,06	63.622.186,00
TOTAL OPERATING RESULTS	85.382.276,87	101.049.658,94
Plus or Less: 15. EXCEPTIONAL INCOME	39.667.167,18	8.071.976,53
16. EXCEPTIONAL EXPENSES	(25.716.954,20)	(11.025.650,71)
17. EXCEPTIONAL PROFIT	15.762.706,99	966.657,10
18. PROFIT (before tax)	29.712.919,97	(1.987.017,08)
Analysed into:		
SHARE OF MINORITY IN PROFIT BEFORE TAX	24.801.130,80	8.998.874,79
PROFIT OF PIRAEUS BANK SHAREHOLDERS BEFORE TAX	90.294.066,04	90.063.767,07
Less: TAX	34.254.137,79	34.607.556,21
PROFIT AFTER TAX	80.841.059,05	64.455.085,65
Analysed into:		
SHARE OF MINORITY IN PROFIT AFTER TAX	14.641.291,53	4.830.071,98
PROFIT OF PIRAEUS BANK SHAREHOLDERS AFTER TAX	66.199.767,52	59.625.013,67

NOTES:

1. In addition to PIRAEUS BANK S.A., the following financial sector companies have been fully consolidated: 1) ETBAbank S.A. [56%], 2) TIRANA BANK I.B.C. [66,9%], 3) MARATHON NATIONAL BANK OF NEW YORK [60,8%], 4) PIRAEUS BANK ROMANIA S.A. [100%], 5) PIRAEUS MUTUAL FUNDS S.A. [100%], 6) ETBA P&K MUTUAL FUNDS MANAGEMENT COMPANY [29%], 7) PIRAEUS INVESTMENT S.A. [55,1%], 8) HELLENIC INVESTMENT COMPANY S.A. [18,1%], 9) PIRAEUS FINANCE S.A. [100%], 10) PIRAEUS LEASING S.A. [59%], 11) ETBA LEASING S.A. [25,2%], 12) SIGMA SECURITIES S.A. [100%], 13) PIRAEUS ASSET MANAGEMENT COMPANY S.A. [100%], 14) PIRAEUS INSURANCE AGENCY S.A. [99,8%], 15) ETBA INSURANCE AGENCY S.A. [45,6%], 16) PIRAEUS ASSET MANAGEMENT EUROPE S.A. [99,9%], 17) PIRAEUS EQUITIES HOLDING S.A. [50%], 18) PIRAEUS INVESTMENT CONSULTING S.A. [50%], 19) MULTIFACTORING S.A. [70%], 20) MULTICOLLECTION S.A. [25,5%], 21) EUROINVESTMENT & FINANCE LTD [32,9%], and 22) MULTIFIN S.A. [45%]. The companies numbered (1), (6), (8), (11) and (15) are consolidated for the first time. Of the companies consolidated on 31/12/2001, the following have been excluded from consolidation on 31/12/2002: (a) XIOS MUTUAL FUNDS S.A. which is currently under liquidation, (b) P LEASING S.A. due to its merger with PIRAEUS LEASING S.A., (c) MACEDONIA-THRACE INSURANCE AGENCY S.A. due to its merger with PIRAEUS INSURANCE AGENCY S.A. 2. Following the decisions of the Boards of Directors, the merger between PIRAEUS BANK S.A. and ETBAbank S.A. will take place based on the approved financial statements as at 31/12/2002. 3. Following the same accounting treatment applied in 31/12/2001 Financial Statements, the Bank and certain consolidated Subsidiaries recorded the write down in their securities portfolio valuation (mainly listed securities) directly to Reserves. The reduction in total Equity was EUR 159.4 million of which EUR 68.9 million was attributed to Minority. 4. Fixed assets employed for leasing activities are presented as receivables from customers, according to International Financial Reporting Standards, for the consolidated companies PIRAEUS LEASING S.A. and ETBA LEASING S.A. The relevant balances have been reclassified, with no effect on the Group Profit before tax. The corresponding items for 31/12/2001 have also been reclassified, in order to be comparable. 5. Net Profit from Financial Transactions includes profit of EUR 25.5 million (of which EUR 10.7 million is attributable to Minority) non-eliminated for consolidation purposes, resulting from the sale of Greek Government Bonds by a subsidiary bank of the Group. The profit was not eliminated as the sale of bonds was carried out as an arm's length transaction through the Greek Electronic Secondary Securities Market (HDAT) at market prices. 6. The Consolidated Income Statement includes an amount of EUR 5,6 million (of which EUR 3 million is attributable to Piraeus Bank's Shareholders) that refers to profit from transactions between the Bank and related companies, which have been consolidated using the Equity Method. 7. During 2002, an exchange of Athens Stock Exchange subsidiaries' shares, of cost EUR 1,2 million, for shares of the HELLENIC EXCHANGES HOLDING S.A. amounting to EUR 5 million, took place. From this transaction, a net gain from revaluation was realised by Piraeus Bank S.A. to the amount of EUR 3,8 million, which is included in the Net Profit from Financial Transactions. 8. The Bank and certain significant subsidiaries have created a retirement benefit provision, based on the 205/1988 interpretation of the legal advisory committee to the Government, and article 10 of Law 2065/1992. Had the Bank and these subsidiaries created a retirement benefit provision for all serving employees, the total amount required as at the 31st of December 2002 would amount to EUR 20,5 million, of which EUR 1,4 million relates to the year ended 31/12/2002 (the Minority share would have been EUR 56 thousand). 9. The balance of Shares and Investments as shown on the face of the consolidated balance sheet exceeds its value according to the valuation requirements of Law 2190/1920 by EUR 172 million. The above mentioned amount relates mainly to (a) subsidiary companies that are excluded from consolidation as they do not belong to the financial sector which however, will be fully consolidated under the first time application of International Financial Reporting Standards on 31/12/2003 and (b) unlisted companies, the fair value of which exceeds the above mentioned amount according to multinational audit firms' existing valuations. 10. All disputes under litigation or arbitration as well as the pending court decisions have no significant effect on the financial position of the Group. 11. The fixed assets of the consolidated companies are free of any liens or encumbrances. 12. The general accounting principles applied in the preparation of the Consolidated Financial Statements do not differ from those stated in the Consolidated Annex to the Balance Sheet of 31/12/2002. 13. Certain amounts of the comparative Consolidated Balance Sheet and Income Statement have been reclassified, so as to be comparable with the respective amounts reported in the current period. 14. The number of staff employed by the Group's companies on 31/12/2002 was 4.743.

Athens, February 19, 2003

CHAIRMAN OF THE BOARD OF DIRECTORS
MICHALIS G. SALLAS
ID T 164347

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS
IAKOVOS G. GEORGANAS
ID X 066165

DEPUTY MANAGING DIRECTOR
MICHALIS H. COLAKIDES
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DIRECTOR OF FINANCIAL SERVICES
NIKOLAOS D. TSATSPOPOULOS
ID M 031925

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of PIRAEUS BANK S.A.

We have audited the above Consolidated Accounts and the Consolidated Annex to the Balance Sheet of the group companies of Piraeus Bank SA operating in the financial sector for the period ended 31 December 2002. We conducted our audit in accordance with the provisions of Article 108 as well as the relevant provisions for consolidations of Law 2190/1920 (Companies Act) and the auditing procedures which we considered appropriate, based on the principles and Auditing Standards of the Institute of Certified Auditors Accountants. The financial statements for all of the consolidated companies audited by Certified Auditors, have been made available to us and we have been provided with all the information and explanations requested. The audit of the accounts of the subsidiary companies, that have been included in the consolidation and represent 12,7% and 14,8% of the total assets and turnover respectively, has been carried out by other Certified Auditors on whose audit reports we have relied. The accounting policies applied are consistent with the previous period. We have verified the agreement of the contents of the Consolidated Directors' Report with the Consolidated Accounts. The Consolidated Annex to the Balance Sheet contains the information required by Article 130 and other relevant provisions of Law 2190/1920. Based on our audit, we concluded on the following findings: 1. Other Intangible Fixed Assets include an amount of EUR 15,2 million (net book value) relating to indemnity by the Bank to personnel, in accordance with the voluntary redundancy program carried out in 2002. The amount mentioned above is not expensed in the period but is instead capitalized and amortized over a 5-year period as a restructuring expense. 2. Ordinary reserves (arising from portfolio valuation) include an amount of EUR 64,8 million that relates to securities sold during the year, the valuation of which has been debited directly to reserves. The Bank has accounted for the above matter in accordance with the provisions of Law 2992/2002 which allows the netting-off of valuation reserves against future surpluses not necessarily on an item-by-item basis. In our opinion, the above Consolidated Accounts, which are in agreement with the Accounts of the consolidated companies, and the information provided by them, after taking Notes (3), (5), (6), (7), (8) and (9) into consideration, together with the Consolidated Annex to the Balance Sheet, present fairly the structure of the Group's assets and financial position of the Group companies incorporated in the financial sector as at 31 December 2002 and of the results for the period then ended, in accordance with current legislation and generally accepted accounting principles which do not differ from those applied by the Bank in the previous period.

Athens, February 24, 2003
The Certified Auditors



George Moscofides
ICA Reg No 11381
SOL SA Certified Auditors

Constantinos Michalatos
ICA Reg No 17701
PriceWaterhouseCoopers S.A.





PIRAEUS BANK S.A.

ATHENS - Companies Register No.6065/06/B/86/04
BALANCE SHEET AT DECEMBER 31, 2002 (IN EUR)

AND MERGER BALANCE SHEET AT DECEMBER 31, 2002 (ARTICLE 69 PAR. 1 OF LAW 2190/1920)

ASSETS	2002	2001	LIABILITIES	2002	2001
1. CASH IN HAND AND BALANCES WITH THE CENTRAL BANK		542.686.777,66	1.006.221.524,28		
2. TREASURY BILLS AND SIMILAR SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK					
a. State issued bills	5.457.657,49		15.630.665,36		
3. LOANS AND ADVANCES TO CREDIT INSTITUTIONS					
a. Sight deposits	6.412.023,98	32.750.231,60			
b. Other loans and advances to Credit Institutions	546.832.886,40	553.244.910,38	828.384.800,00		
4. LOANS AND ADVANCES TO CUSTOMERS					
a. Loans to customers	7.061.111.693,47	5.718.440.430,21			
b. Other receivables from customers	22.126.163,36	123.335.163,81			
- Less: Provisions	155.207.095,05	114.174.657,89	5.727.600.936,13		
5. BONDS AND OTHER FIXED-INCOME SECURITIES					
a. State bonds	2.472.267.481,73	2.565.865.646,96			
b. Other issuers	268.325.566,01	274.593.047,74	2.839.162.338,33		
6. SHARES AND OTHER VARIABLE INCOME SECURITIES less THIRD PARTIES RIGHTS		190.820.432,96	198.236.207,72		
7. INVESTMENT IN NON AFFILIATED COMPANIES		21.861.180,51	44.487.917,60		
8. INVESTMENT IN SUBSIDIARY AND ASSOCIATE COMPANIES		1.215.126.942,61	660.261.832,84		
9. INTANGIBLE FIXED ASSETS					
a. Formation and establishment expenses	6.707.543,93	5.414.842,51			
c. Other intangible fixed assets	118.836.757,06	95.271.500,81	100.686.343,32		
- Less: Accumulated amortization	80.558.676,16	44.985.624,83	59.481.010,73		
10. TANGIBLE FIXED ASSETS					
a. Land, building sites	2.312.854,61		3.283.105,49		
b. Buildings and installations	90.002.586,11	88.636.107,09			
- Less: Accumulated depreciation	38.349.063,15	34.358.829,82	54.277.277,27		
c. Furniture, electronic and other equipment	95.374.518,79	89.834.719,85			
- Less: Accumulated depreciation	70.201.834,14	56.643.263,46	33.191.456,39		
d. Other tangible fixed assets	5.612.836,06	6.271.671,25			
- Less: Accumulated depreciation	4.188.061,18	4.253.340,92	2.018.330,33		
e. Assets under construction and prepayments	1.576.484,09	82.140.321,19	95.130.674,85		
12. OWN SHARES		49.771.493,96	149.512.613,42		
13. OTHER ASSETS		90.575.502,62	94.550.371,27		
14. PREPAID EXPENSES AND ACCRUED INCOME		62.547.669,42	112.958.363,28		
TOTAL ASSETS		12.527.842.323,15	11.813.343.577,67		
LIABILITIES					
I. LIABILITIES					
1. DEPOSITS FROM CREDIT INSTITUTIONS					
a. Sight deposits	54.091.002,92			59.306.154,91	
b. With agreed maturity dates or periods of notice	1.679.315.428,39		1.733.406.431,31	1.183.569.583,85	1.242.875.738,76
2. CUSTOMER ACCOUNTS					
a. Deposits	7.037.918.952,87			6.804.068.580,05	
b. Obligations other than deposits					
ba) Sight	78.239.323,83			160.932.992,22	
bb) Upon maturity and on notice	1.270.634,21			8.236,01	
c. Repurchase agreements (Repos)	2.345.502.350,66			2.390.500.958,62	9.355.510.766,90
3. OTHER LIABILITIES					
4. DEFERRED INCOME AND ACCRUED EXPENSES				395.970.718,41	161.330.782,13
5. PROVISIONS FOR LIABILITIES AND CHARGES				38.906.944,73	49.293.113,18
a. Provisions for staff retirement benefits	725.811,00			2.145.971,90	
b. Provisions for taxes	0,00			124.077,63	2.270.049,53
Total Liabilities	11.631.941.167,02			10.811.280.450,50	
II. SHAREHOLDERS FUNDS					
8. SHARE CAPITAL				548.276.547,52	548.276.547,52
- Paid up (167.157.484 shares of nominal value 3,28 EUR)					
9. SHARE PREMIUM ACCOUNT				323.098.454,15	378.265.854,66
- Paid up					
10. RESERVES					
- Ordinary reserve	24.274.974,58			22.113.629,09	
- Ordinary reserve (from portfolio valuation)	(90.136.539,63)			(37.059.106,63)	
- Extraordinary reserves	28.394.470,95			23.323.429,47	
- Tax free reserves	10.324.516,28			10.324.516,28	
- Own Shares' reserves	49.771.493,96			22.628.916,14	73.545.003,66
11. REVALUATION RESERVE				1.895.938,47	1.888.691,50
11A. GRANTS FOR FIXED ASSET INVESTMENTS				0,00	87.029,83
12. RETAINED EARNINGS CARRIED FORWARD				1.299,85	0,00
Total equity	895.901.156,13			1.002.063.127,17	
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS				12.527.842.323,15	11.813.343.577,67

OFF-BALANCE SHEET ITEMS (LIABILITIES)

	2002	2001
1. CONTINGENT LIABILITIES	1.495.096.926,39	1.430.246.251,82
2. COMMITMENTS ARISING FROM TEMPORARY CONVEYANCE	2.257.853.035,42	2.197.162.519,01
3. OTHER MEMO ACCOUNTS	12.532.515.643,55	13.664.038.349,20
OFF-BALANCE SHEET TOTAL	16.285.465.605,36	17.291.447.120,03

Notes:

1. Following the decisions of the Boards of Directors, the merger between PIRAEUS BANK S.A. and ETBAbank S.A. will take place based on the approved financial statements as at 31/12/2002. 2. The Bank applied on 31st December 2002, as on 31st December 2001 the Law 2992/2002, according to which deviation from article 43 of Law 2190/20 on valuation and distribution is permitted. Thus, the write down arising from the securities portfolio valuation (mainly listed) was recorded directly to Reserves, with no charge on the period's results. The reduction in total Equity for the period of 2002 was EUR 61,0 million approximately. The unlisted shares held by the Bank were valued at cost, which is EUR 88,5 million higher than the value determined according to Law 2190/1920. 3. The investment portfolio presented in "Investments in Subsidiary and Associate Companies" amounting to EUR 1.215,1 million, relating for the greatest part to companies included in the consolidation, has been valued at cost, according to the International Accounting Standards. Had the current value of these investments been presented as determined according to Law 2190/1920, it would amount to EUR 638 million approximately. "Investments in Subsidiary and Associate Companies" also include ETBAbank S.A. the market value of which was calculated based on the average market price of December 2002, which is significantly lower than the respective net asset value. Had the shares of ETBAbank S.A. been valued at their net asset value without taking into account the market values of fixed assets and other assets, the market value of investments in subsidiaries and associates would have been EUR 944 million. The specific difference relating to ETBAbank S.A. will be eliminated upon the decided merger that will be realised with the present Balance Sheet. It should be also noted that if the other companies included in the investment portfolio had been assessed according to the existing multinational audit firm valuations as on period 2001 valuation, the total value of the investment portfolio would not have been significantly different than the amount presented in "Investments in Subsidiary and Associate Companies". 4. The Bank has created a retirement benefit provision, based on the 205/1988 interpretation of the legal advisory committee to the Government, and article 10 of Law 2065/1992. Had the Bank created a retirement benefit provision for all serving employees, the total amount required as at the 31st of December 2002 would amount to EUR 19,5 million, of which an amount of EUR 1,3 million would relate to the year ended 31/12/2002. 5. During 2002, an exchange of Athens Stock Exchange subsidiaries' shares, of cost EUR 1,2 million, for shares of the HELLENIC EXCHANGES HOLDING S.A. amounting to EUR 5 million, took place. From this transaction, a net gain from revaluation was realised by Piraeus Bank S.A. to the amount of EUR 3,8 million, which is included in the Net Profit from Financial Transactions. 6. According to the exact application of Bank's of Greece Government Directive 2442/1999, provisions for loans impairment that should have been estimated for the period 2002 amount to EUR 148 million, against EUR 155 million of provisions already formed. Had the Bank of Greece Government Directive 2442/1999 rates been applied according to Piraeus Bank's strict policy on the change of loan status from performing to non performing, provisions would amount to EUR 161 million. 7. All disputes under litigation or arbitration as well as the pending court decisions have no significant effect on the financial position of the Group. 8. The fixed assets are free of any liens or encumbrances. 9. The amounts invested in Fixed Assets during the period of 2002, were EUR 24,0 million approximately. 10. Certain amounts of the Comparative Balance Sheet and Income Statement have been reclassified, so as to be comparable with the respective amounts reported in the current period. 11. The general accounting principles applied in the preparation of the Financial Statements are stated in detail in the Annex to Financial Statements of 31/12/2002. 12. The Bank's tax position for years 1998 to 2002 has not been audited by tax authorities. 13. The number of staff employed by the Bank on 31/12/2002 was 3.466. 14. The latest revaluation of the Bank's Fixed Assets was performed, according to Law 2065/1992, in the 2002 period. 15. In accordance with the 4-digit statistical grouping of the financial sector's activity, the total of the Bank's revenue falls under the code 651.9 «Activities of other Intermediary Monetary Organisations».

INCOME STATEMENT (1/1 - 31/12)

	2002	2001
1. INTEREST INCOME		
- Interest on fixed income securities	132.774.469,77	168.895.829,84
- Other interest and equivalent income	464.184.628,31	460.923.931,71
Less : 2. INTEREST EXPENSE	336.567.513,26	629.819.761,55
	260.391.584,82	406.821.548,96
Plus : 3. INCOME FROM SECURITIES		
a. From shares and other variable income securities	4.830.020,12	8.342.650,14
b. From non affiliated companies	911.530,80	947.532,50
c. From associate companies	19.862.547,71	23.997.073,16
4 - 5. NET COMMISSION INCOME		
	62.116.161,80	51.618.999,56
	348.111.845,25	307.904.467,95
Plus : 6. NET PROFIT FROM FINANCIAL TRANSACTIONS	15.149.525,90	112.811.903,47
7. OTHER OPERATING INCOME	12.011.065,87	5.251.557,30
	375.272.437,02	425.967.928,72
Less : 8. GENERAL ADMINISTRATIVE EXPENSES		
a. Staff expenses		
- Wages and salaries	93.745.242,59	91.217.412,08
- Social insurance contributions	19.434.163,18	19.037.894,32
- Other expenses - charges	8.977.769,08	9.931.187,73
b. Other administrative expenses	105.626.384,47	120.186.494,13
	147.488.877,70	114.006.180,34
Less : 10. OTHER OPERATING EXPENSES	147.488.877,70	191.775.254,25
OPERATING RESULTS BEFORE DEPRECIATION AND PROVISIONS	2.722.838,26	1.819.311,47
Less : 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	42.706.362,97	37.192.623,82
11+12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	45.858.653,58	60.505.459,30
TOTAL OPERATING RESULTS	56.201.022,89	97.698.083,12
Plus or Less : 15. EXCEPTIONAL INCOME	9.067.167,44	7.389.928,12
16. EXCEPTIONAL EXPENSES	(4.935.799,43)	(9.449.154,97)
17. EXCEPTIONAL PROFIT	6.379.382,49	921.065,08
18. PROFIT (before tax)	66.711.773,39	91.119.697,89

APPROPRIATION TABLE

	2002	2001
Profit (before tax)	66.711.773,39	91.119.697,89
Plus:		
Own shares reserve available for appropriation	5.071.041,49	0,00
Less:		
Income Tax	11.569.485,90	21.347.760,93
Other taxes not incorporated into operating results	208.835,15	203.099,83
	11.778.321,05	21.550.860,76
PROFITS FOR APPROPRIATION	60.004.493,83	69.568.837,13
Appropriation of profits was as follows:		
1. Ordinary reserve	2.161.345,49	2.841.143,69
2 & 3. Dividends (0,25 EUR per share)	41.789.371,00	45.132.520,68
5. Extraordinary reserves	5.071.041,49	18.879.322,96
6. Tax-free reserve (Law 148/67)	7.985.000,00	1.493.056,99
7. Fees and percentages of members of the Board of Directors	51.650,77	48.911,72
7a. Benefits to staff	2.944.785,23	1.173.881,09
Retained earnings carried forward	1.299,85	0,00
	60.004.493,83	69.568.837,13

Athens, February 19, 2003

CHAIRMAN OF THE BOARD OF DIRECTORS

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

DEPUTY MANAGING DIRECTOR

DIRECTOR OF FINANCIAL SERVICES

MICHALIS G. SALLAS
ID T 164347

IAKOVOS G. GEORGANAS
ID X 066165

MICHALIS H. COLAKIDES
Passport No. C 261985

NIKOLAOS D. TSATSPOULOS
ID M 031925

AUDITORS' REPORT

To the Shareholders of PIRAEUS BANK S.A.

We have audited the above Accounts and the Annex to the Balance Sheet of Piraeus Bank SA for the period ended 31 December 2002. During our audit, the accounting books and records for the Bank's branches were also made available to us, mentioning that the foreign branches have been audited by auditors of installation's countries. We conducted our audit in accordance with the provisions of Article 37 of Law 2190/1920 (The Companies Act) and the audit procedures which we considered appropriate, based on the principles and auditing standards followed by the Institute of Certified Auditors Accountants. The books and records kept by the Bank have been made available to us and we have been provided with all the information and explanations requested. The Bank has properly applied the Banking Sector Chart of Accounts. The accounting policies applied are consistent with the previous period. We have reviewed the contents of the Directors' Report to the General Meeting of shareholders for consistency with the Accounts. The Annex to the Balance Sheet contains the information required by Article 129 of Law 2190/1920. Based on our audit, we concluded on the following findings: 1. Other Intangible Fixed Assets include an amount of EUR 15,2 million (net book value) relating to indemnity paid by the Bank to personnel, in accordance with the voluntary redundancy program carried out in 2002. The amount mentioned above is not expensed in the period but is instead capitalized and amortized over a 5-year period as a restructuring expense. 2. Ordinary reserves (arising from portfolio valuation) include an amount of EUR 64,8 million that relates to securities sold during the year, the valuation of which has been debited directly to reserves. The Bank has accounted for the above matter in accordance with the provisions of Law 2992/2002 which allows the netting-off of valuation reserves against future surpluses not necessarily on an item-by-item basis. In our opinion, the above Accounts, which are in agreement with the books and records of the Bank, after taking notes No 2, 3, 4, 5, 6 and 12 into consideration, together with the Annex to the Balance Sheet, present fairly the structure of the Bank's assets and its state of affairs at 31 December 2002 and of the results for the period then ended, in accordance with current legislation and generally accepted accounting principles, which do not differ from those applied by the Bank in the previous period.

Athens, February 21, 2003
The Certified Auditors



George Moscofides
ICA Reg No 11381
SOL SA Certified Auditors

Constantinos Michalatos
ICA Reg No 17701
PricewaterhouseCoopers S.A.

