



PIRAEUS BANK S.A.

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

11TH CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2004 (IN EURO)

(P.D. 360/1985 & L. 2533/1997)

ASSETS	31/12/2004	31/12/2003	LIABILITIES	31/12/2004	31/12/2003
1. CASH IN HAND AND BALANCES WITH THE CENTRAL BANK	1.113.953.657,49	785.912.384,53	1. DEPOSITS FROM CREDIT INSTITUTIONS		
2. TREASURY BILLS AND SIMILAR SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK			a. Sight deposits	43.945.961,50	60.728.088,70
a. State issued bills	145.452.611,86	117.705.723,61	b. With agreed maturity dates or periods of notice	1.644.314.581,14	2.100.688.015,38
3. LOANS AND ADVANCES TO CREDIT INSTITUTIONS			c. Repurchase agreements (Repos)	26.086.600,00	121.786.667,06
a. Sight deposits	43.028.592,14	60.338.990,38	2. CUSTOMER ACCOUNTS		
b. Other loans and advances to Credit Institutions	164.826.191,48	116.302.199,96	a. Deposits	9.993.533.613,82	8.526.775.495,06
c. Reverse Repos	70.386.384,75	43.305.594,00	b. Obligations other than deposits		
4. LOANS AND ADVANCES TO CUSTOMERS			ba) Sight	144.960.398,80	109.147.334,43
a. Loans to customers	12.537.912.856,81	10.530.193.689,97	bb) Upon maturity and on notice	51.719.497,58	43.823.319,66
b. Other receivables from customers	146.857.111,48	150.930.855,71	c. Repurchase agreements (Repos)	648.778.841,41	10.838.992.351,61
- Less: Provisions	423.141.648,92	402.780.923,38	3. LONG TERM LIABILITIES		
5. BONDS AND OTHER FIXED-INCOME SECURITIES			a. Debentures	1.174.258.256,99	223.281.674,57
a. State bonds	904.874.666,65	1.533.891.254,04	b. Loan stock (bank issued bonds)	475.448.063,89	1.649.706.320,88
b. Other issuers	315.055.847,97	323.113.492,31	4. OTHER LIABILITIES		
6. SHARES AND OTHER VARIABLE INCOME SECURITIES less THIRD PARTIES RIGHTS			5. DEFERRED INCOME AND ACCRUED EXPENSES		
7. INVESTMENTS IN NON AFFILIATED COMPANIES			6. PROVISIONS FOR LIABILITIES AND CHARGES		
8. INVESTMENTS IN AFFILIATED COMPANIES			a. Provisions for staff retirement benefits	4.738.172,50	12.136.992,69
9. INTANGIBLE FIXED ASSETS			b. Provisions for taxes	261.086,13	150.000,00
a. Formation and establishment expenses	11.316.507,62	9.775.964,95	c. Other provisions	24.325.458,74	29.324.717,37
b. Other intangible fixed assets	175.848.453,72	171.296.822,09	7. SUBORDINATED DEBT		
- Less: Accumulated amortization	154.509.431,68	137.827.322,08	7A. Hybrid Capital	388.923.536,15	3.958.828,19
10. TANGIBLE FIXED ASSETS			Total Liabilities	15.376.002.468,53	13.392.339.098,36
a. Land, building sites	29.002.909,88	10.397.931,46	7B. SHAREHOLDERS' FUNDS		
b. Buildings and installations	172.055.336,79	136.984.261,20	8. SHARE CAPITAL	831.066.574,90	819.949.119,17
- Less: Accumulated depreciation	64.688.748,05	57.162.235,33	9. SHARE PREMIUM ACCOUNT	366.809.587,15	355.531.397,10
c. Furniture, electronic and other equipment	148.635.155,72	123.460.705,44	10. RESERVES		
- Less: Accumulated depreciation	110.884.300,45	93.886.756,60	- Ordinary reserve	56.675.662,52	51.034.796,56
d. Other tangible fixed assets	7.427.043,59	7.103.909,28	- Ordinary reserve (from portfolio valuation)	(78.586.305,86)	(117.599.603,29)
- Less: Accumulated depreciation	5.714.186,04	5.392.795,37	- Other reserve	27.717.841,11	82.080.691,14
e. Assets under construction and prepayments	13.503.118,73	28.823.659,76	11. REVALUATION RESERVE	746.658,20	187.878,56
13. OTHER ASSETS	314.393.735,41	204.911.189,39	TREASURY SHARES' RESERVE	16.049.864,62	187.878,56
14. PREPAID EXPENSES AND ACCRUED INCOME	85.537.738,87	79.569.235,02	Less: TREASURY SHARES (cost)	(27.738.241,46)	(19.766.949,93)
TOTAL ASSETS	16.590.935.530,50	14.734.537.905,76	12. RETAINED EARNINGS BROUGHT FORWARD		
			- Retained earnings brought forward and restatements	82.938.427,44	63.589.859,77
			GOODWILL - AMOUNTS WRITTEN OFF	(318.510.639,66)	(221.984.720,40)
			Piraeus Bank Shareholders' Total equity	957.169.428,96	1.015.921.011,04
			MINORITY INTERESTS IN EQUITY	257.763.633,01	326.277.796,36
			Total equity	1.214.933.061,97	1.342.198.807,40
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	16.590.935.530,50	14.734.537.905,76			

OFF-BALANCE SHEET ITEMS (LIABILITIES)

	31/12/2004	31/12/2003
1. CONTINGENT LIABILITIES	3.627.002.847,26	2.388.229.116,94
2. COMMITMENTS ARISING FROM TEMPORARY CONVEYANCE	684.717.841,71	1.371.551.014,94
3. OTHER MEMO ACCOUNTS	29.059.268.330,77	16.464.448.927,93
OFF-BALANCE SHEET TOTAL	33.370.989.019,74	20.224.229.059,81

NOTES:

1. In addition to Piraeus Bank S.A., the following financial sector companies have been fully consolidated: 1) Tirana Bank I.B.C. [83.93%], 2) Marathon Banking Corporation [78.27%], after the merger with Interbank of New York, 3) Piraeus Bank Romania S.A. [99.99%], 4) Piraeus Leasing S.A. [84.27%], 5) Piraeus Leasing Romania SRL [100%], 6) Multifactoring S.A. [100%], 7) Multifin S.A. [87.50%], 8) Hellenic Investment Company S.A. [48.10%], 9) Sigma Securities S.A. [80%], after the merger with N. D. Devletoglou Securities S.A. 10) Piraeus Financial Economic Research S.A. [100%], 11) Piraeus Asset Management Europe S.A. [99.94%], 12) Piraeus Insurance Agency S.A. [98.99%], 13) Multicollection S.A. [51.00%], 14) Piraeus Group Finance P.L.C. [100%], 15) Piraeus Group Capital P.L.C. [100%], 16) Bullfina S.A. [100%], 17) ETBA Finance S.A. [100%], 18) Piraeus Enterprises 1 LTD [100%], 19) Piraeus Enterprises 2 LTD [100%], 20) Piraeus Enterprises 3 LTD [100%], 21) Piraeus Enterprises 4 LTD [100%], 22) Fairholme Enterprises LTD [100%], 23) Runius Overseas LTD [100%], 24) Mayboil LTD [100%], 25) Gildale Overseas LTD [100%], 26) Chineridge LTD [100%]. The companies numbered (18) to (26) were consolidated for the first time on 30/09/2004 and the companies numbered (15) to (17) are consolidated for the first time on 31/12/2004. Of the companies consolidated on 31/12/2003, the following have been excluded from consolidation on 31/12/2004: (a)???? Insurance Agency S.A. due to its merger with Piraeus Insurance Agency S.A., (b) Piraeus Finance S.A., Piraeus Equities Holding S.A. and Piraeus Investment Consulting due to their merger with Piraeus Bank in December 2004, with transition Balance Sheet as at 30/06/2004. 2. Following the exercise of the stock options by the Bank's personnel, the Bank's share capital and share premium increased by EUR 11.1 million and EUR 11.3 million respectively, by the issue of 2,678,905 new ordinary shares of nominal value EUR 4.15 and exercise price of EUR 8.36. 3. The Bank and certain consolidated subsidiaries valued the securities portfolio following the requirements of Law 2992/2002. The resulting negative difference of EUR 0.3 million was added to the Reserves. Other shares and non consolidated investments portfolio, of total amount EUR 503.2 million was valued at cost. The corresponding net asset value, according to the relevant requirements of Law 2190/1920, amounts to EUR 425.5 million approximately. This difference will not exist following the adoption of the International Financial Reporting Standards. 4. Treasury Shares are presented as a reduction from Total Shareholders' Equity following the interpretation of International Accounting Standards. 5. The Bank during 2004, following the requirements of article 15 of Law 3229/2004, revalued its property to fair value. The resulting positive difference of EUR 38.1 million was fully offset by the negative differences from valuation of shares, bonds and other securities, which are included in the "Ordinary reserve from portfolio valuation". Also, negative difference of EUR 3.8 million was offset by corresponding recorded provisions. The consolidated subsidiaries Sigma Securities S.A. and Piraeus Leasing S.A., following the requirements of Laws 2065/1992 and 3229/2004 respectively, recorded the resulting positive differences of EUR 0.26 million and 0.47 million in the "Revaluation Reserve". 6. According to article 39 of Law 3259/2004, which refers to the settlement of non performing loans, loans of EUR 41.1 million and provisions of EUR 3.9 million, were written off. The net amount of EUR 37.2 million was directly offset to Tax Free Reserves, without charging the Profit and Loss account. 7. 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 PIRAEUS LEASING ROMANIA SRL. The relevant balances have been reclassified, with no effect on the Group Profit before tax. 8. The Bank and its most significant subsidiaries book a retirement benefit provision consistently, 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 2004 would amount to EUR 31.6 million, of which EUR 4.3 million relate to the year ended 31/12/2004. The total amount of retirement benefit provision as at 31/12/2004 amounts to EUR 4.7 million. 9. Tax Authorities have audited Piraeus Bank's and ETBA Bank's tax positions for the year up to and including 1997 and 1998 respectively. 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 number of staff employed by the Group's companies as at 31/12/2004 was 5,358.

CONSOLIDATED INCOME STATEMENT

	2004	2003
1. INTEREST INCOME	106.749.018,91	122.659.988,75
- Interest on fixed income securities		
- Other interest and equivalent income	674.623.027,00	781.372.045,91
Less: 2. INTEREST EXPENSE	334.751.291,42	365.997.080,68
	446.620.754,49	391.194.339,57
3. INCOME FROM SECURITIES		
a. From shares and other variable income securities	16.377.844,85	16.826.607,58
b. From non affiliated companies	228.652,66	309.907,40
c. From affiliated companies	3.527.960,24	2.656.918,64
4 - 5. NET COMMISSION INCOME	20.134.457,75	19.793.433,62
	133.624.118,17	110.061.006,56
	600.379.330,41	521.048.779,75
6. NET PROFIT FROM FINANCIAL TRANSACTIONS	82.155.497,07	57.647.251,09
7. OTHER OPERATING INCOME	13.771.141,87	16.508.618,14
	696.305.969,35	595.204.648,98
Less: 8. GENERAL ADMINISTRATIVE EXPENSES		
a. Staff expenses		
- Wages and salaries	144.805.233,32	129.609.556,62
- Social insurance contributions	32.161.829,06	29.348.834,85
- Other expenses - charges	14.167.306,55	14.572.830,60
b. Other administrative expenses	191.134.368,93	173.531.222,07
	164.925.652,19	147.900.393,36
	340.245.948,23	273.773.033,55
Less: 10. OTHER OPERATING EXPENSES	5.690.696,31	4.142.019,27
	334.555.251,92	269.631.014,28
Less: 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	46.367.521,07	50.040.003,95
11-12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	88.318.339,92	68.507.893,25
TOTAL OPERATING RESULTS	199.869.390,93	151.083.117,08
15. EXCEPTIONAL INCOME	14.488.809,61	22.943.225,26
16. EXCEPTIONAL EXPENSES	(13.607.227,65)	(9.597.708,10)
17. EXCEPTIONAL RESULTS	16.270.606,74	17.152.188,70
18. PROFIT (before tax)	217.021.579,63	165.041.419,84
Analysed into:		
SHARE OF MINORITY IN PROFIT BEFORE TAX	39.859.222,24	27.254.185,34
PROFIT OF PIRAEUS BANK SHAREHOLDERS BEFORE TAX	177.162.357,39	137.787.234,50
Less: CORPORATE TAX	37.876.386,62	33.605.965,51
Special provision for Tax	0,00	7.713.253,35
PROFIT AFTER TAX	139.285.970,77	96.468.015,64
Less: SHARE OF MINORITY IN PROFIT AFTER TAX	36.686.377,60	22.240.950,05
PROFIT OF PIRAEUS BANK SHAREHOLDERS AFTER TAX	102.599.593,17	74.227.065,59

Athens, February 22, 2005

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

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS and DEPUTY MANAGING DIRECTOR
THEODOROS N. PANTALAKES
ID ? 365123

FINANCE DIRECTOR
CONSTANTINOS I. LIAPIS
ID F 364378

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 2004. 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 17.16% of the total assets and turnover respectively, has been carried out by other Certified Auditors on whose audit reports we have relied. 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 that Ordinary reserves (arising from portfolio devaluation) include an amount of at least EUR 65.3 million that relates to securities sold during the year, for which the adjustment of the cost to market values has been directly debited to reserves mainly in previous years. 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 our qualification above and the Notes 3, 5, 6, 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 2004 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, except for the case of Note 5.

Athens, February 22, 2005
The Certified Auditors



Constantinos L. Karanasios
ICA Reg No 13411
SOL SA Certified Auditors

Constantinos I. Michalatos
ICA Reg No 17701
PriceWaterhouseCoopers S.A.





PIRAEUS BANK S.A.
ATHENS - Companies Register No.6065/06/B/86/04
BALANCE SHEET AS AT DECEMBER 31, 2004 (IN EURO)
(P.D. 360/1985 & L. 2533/1997)

ASSETS		31/12/2004	31/12/2003	LIABILITIES		31/12/2004	31/12/2003
1. CASH IN HAND AND BALANCES WITH THE CENTRAL BANK		1.019.534.907,48		1. DEPOSITS FROM CREDIT INSTITUTIONS			
2. TREASURY BILLS AND SIMILAR SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK				a. Sight deposits	40.745.904,22	60.449.872,00	
a. State issued bills		245.007,02		b. With agreed maturity dates or periods of notice	1.523.851.670,83	1.987.565.738,25	
3. LOANS AND ADVANCES TO CREDIT INSTITUTIONS				c. Repurchase agreements (Repos)	26.086.600,00	1.590.684.175,05	2.169.802.277,31
a. Sight deposits		36.531.801,70	50.889.510,07	2. CUSTOMER ACCOUNTS			
b. Other loans and advances to Credit Institutions		225.092.671,04	184.217.242,00	a. Deposits	10.569.752.984,55	8.350.655.896,29	
c. Reverse Repos		65.531.625,72	0,00	b. Obligations other than deposits			
4. LOANS AND ADVANCES TO CUSTOMERS				ba) Sight	98.200.803,68	80.886.262,53	
a. Loans to customers		11.898.518.137,02	9.968.762.875,78	c. Repurchase agreements (Repos)	687.347.901,60	1.245.980.346,57	9.677.522.505,39
b. Other receivables from customers		47.564.943,86	58.677.167,68	3. LONG TERM LIABILITIES			
- Less: Provisions		400.936.427,54	384.482.840,78	b. Loan stock (bank issued bonds)		475.448.063,89	473.069.608,69
5. BONDS AND OTHER FIXED-INCOME SECURITIES				4. OTHER LIABILITIES		352.652.366,61	264.548.775,09
a. State bonds		848.837.369,94	1.481.458.286,78	5. DEFERRED INCOME AND ACCRUED EXPENSES		63.357.648,79	41.997.860,49
b. Other issuers		231.128.709,67	273.924.948,14	6. PROVISIONS FOR LIABILITIES AND CHARGES			
6. SHARES AND OTHER VARIABLE INCOME SECURITIES less THIRD PARTIES RIGHTS		201.478.075,84	216.499.570,43	a. Provisions for staff retirement benefits	3.977.262,08	11.568.406,14	
7. INVESTMENTS IN NON AFFILIATED COMPANIES		30.285.352,96	42.555.481,30	b. Other provisions	32.237.254,49	36.214.516,57	61.345.322,68
8. INVESTMENTS IN AFFILIATED COMPANIES		1.071.805.859,31	996.376.511,95	c. Other provisions		49.776.916,54	
9. INTANGIBLE FIXED ASSETS				7. SUBORDINATED DEBT			0,00
a. Formation and establishment expenses	9.263.780,03		7.841.207,09	Total Liabilities	14.472.150.460,74	12.688.286.349,65	
c. Other intangible fixed assets	153.025.033,75	162.288.813,78	148.440.478,38	II. SHAREHOLDERS' FUNDS			
- Less: Accumulated amortization		132.384.050,94	116.999.623,21	8. SHARE CAPITAL			
10. TANGIBLE FIXED ASSETS				- Paid up (200.257.006 shares of nominal value 4,15 EUR)		831.066.574,90	819.949.119,15
a. Land, building sites		23.909.976,00	6.647.178,28	9. SHARE PREMIUM ACCOUNT		366.809.587,15	355.531.397,10
b. Buildings and installations	155.684.912,16		117.581.992,31	10. RESERVES			
- Less: Accumulated depreciation	60.012.722,48	95.672.189,68	52.261.245,17	- Ordinary reserve	51.653.119,09	46.822.032,09	
c. Furniture, electronic and other equipment	133.157.871,17		113.384.515,92	- Ordinary reserve (from portfolio valuation)	(51.048.378,51)	(81.332.034,75)	
- Less: Accumulated depreciation	101.498.568,38	31.659.302,79	87.286.908,69	- Extraordinary reserves	6.677.384,48	7.282.125,06	45.815.491,32
d. Other tangible fixed assets	6.300.905,75		6.331.614,22	11. REVALUATION RESERVE		66.223,81	2.789.642,47
- Less: Accumulated depreciation	5.209.281,48	1.091.624,27	5.013.218,90	TREASURY SHARES' RESERVE	16.049.864,62	187.878,56	
e. Assets under construction and prepayments	12.655.109,31	164.988.202,05	28.676.415,62	Less: TREASURY SHARES (cost)	(16.049.864,62)	0,00	0,00
13. OTHER ASSETS		222.493.107,75	139.665.489,37	12. RETAINED EARNINGS BROUGHT FORWARD		94.047.266,64	79.371.343,02
14. PREPAID EXPENSES AND ACCRUED INCOME		78.418.140,64	70.336.160,90	Total equity	1.299.271.777,56	1.303.456.993,06	
TOTAL ASSETS		15.771.422.238,30	13.991.743.342,71	TOTAL LIABILITIES AND SHAREHOLDERS FUNDS		15.771.422.238,30	13.991.743.342,71

OFF-BALANCE SHEET ITEMS (LIABILITIES)

	31/12/2004	31/12/2003
1. CONTINGENT LIABILITIES	3.590.944.827,35	2.366.224.664,68
2. COMMITMENTS ARISING FROM TEMPORARY CONVEYANCE	639.878.853,01	1.363.995.845,28
3. OTHER MEMO ACCOUNTS	28.951.428.279,77	23.874.621.201,64
OFF-BALANCE SHEET TOTAL	33.182.251.960,13	27.604.841.711,60

Notes:

1. Following the exercise of the stock options by the Bank's personnel, the Bank's share capital and share premium increased by EUR 11.1 million and EUR 11.3 million respectively, by the issue of 2,678,905 new ordinary shares of nominal value EUR 4.15 and exercise price of EUR 8.36. 2. Piraeus Finance S.A., Piraeus Equities Holding S.A. and Piraeus Investment Consulting were merged with Piraeus Bank in December 2004, with transition Balance Sheet as at 30/06/2004. The above mentioned mergers increased Reserves by EUR 846 thousand and also decreased Retained Earnings by EUR 374 thousand. 3. Investments in fully consolidated subsidiaries of amount EUR 709 million, were valued at cost. According to the requirements of Law 2190/1920, the relevant market value amounts to EUR 463 million as at 31/12/2004. The difference between the two amounts is being eliminated upon consolidation. Investments in associated companies of non financial sector, in non affiliated companies, as well as shares of non listed companies amounting to EUR 506 million, were valued at cost. According to the requirements of Law 2190/1920, the corresponding net asset value amounts to EUR 399 million as at 31/12/2004. The difference between the two amounts will not exist following the adoption of the International Financial Reporting Standards. Other securities amounting to EUR 1,169 million were valued according to the requirements of Law 2992/2002, which allowed the deviation from the requirements of article 43 of Law 2190/1920, and the resulting negative difference of EUR 5.9 million was recorded directly to Reserves as a reduction without charging the Profit and Loss account. 4. Treasury Shares are presented as a reduction from Total Shareholders' Equity following the interpretation of International Accounting Standards. 5. The Bank during 2004, following the requirements of article 15 of Law 3229/2004, revalued its property to fair value. The resulting positive difference of EUR 38.1 million was fully offset by the negative differences from valuation of shares, bonds and other securities, which are included in the "Ordinary reserve from portfolio valuation". Also, negative difference of EUR 3.8 million was offset by corresponding recorded provisions. 6. According to article 39 of Law 3259/2004, which refers to the settlement of non performing loans, loans of EUR 41.1 million and provisions of EUR 3.9 million, were written off. The net amount of EUR 37.2 million was directly offset to Tax Free Reserves, without charging the Profit and Loss account. 7. The Bank books a retirement benefit provision consistently, 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 31/12/2004 would amount to EUR 30.8 million, of which EUR 4 million relates to the year ended 31/12/2004. The total amount of retirement benefit provision as at 31/12/2004 amounts to EUR 4 million. 8. Tax Authorities have audited Piraeus Bank's and ETBA Bank's tax positions for the year up to and including 1997 and 1998 respectively. 9. All disputes under litigation or arbitration as well as the pending court decisions have no significant effect on the financial position of the Bank. 10. The fixed assets are free of any liens or encumbrances. 11. The number of staff employed by the Bank as at 31/12/2004 was 4,191. 12. 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 Organizations».

INCOME STATEMENT

	2004	2003
1. INTEREST INCOME		
- Interest on fixed income securities	89.381.491,39	109.664.324,24
- Other interest and equivalent income	608.878.964,13	689.124.447,72
Less : 2. INTEREST EXPENSE	315.443.218,10	347.364.059,07
	382.817.237,42	341.760.388,65
Plus : 3. INCOME FROM SECURITIES		
a. From shares and other variable income securities	8.076.989,63	9.397.428,92
b. From non affiliated companies	105.621,31	226.566,02
c. From affiliated companies	14.780.825,66	8.852.966,88
4 - 5. NET COMMISSION INCOME	22.963.436,60	18.476.961,82
	98.081.358,45	74.424.292,83
	503.862.032,47	434.661.643,30
Plus : 6. NET PROFIT FROM FINANCIAL TRANSACTIONS	16.742.917,99	39.834.422,27
7. OTHER OPERATING INCOME	15.274.850,56	17.882.201,14
	535.879.801,02	492.378.266,71
Less : 8. GENERAL ADMINISTRATIVE EXPENSES		
a. Staff expenses		
- Wages and salaries	122.425.534,18	112.590.259,98
- Social insurance contributions	28.093.851,92	26.042.146,34
- Other expenses - charges	12.059.230,07	162.578.616,17
b. Other administrative expenses	145.754.745,02	13.176.305,02
	227.546.439,83	151.808.711,34
Less : 10. OTHER OPERATING EXPENSES	5.648.342,31	4.094.689,94
OPERATING RESULTS BEFORE DEPRECIATION AND PROVISIONS	221.898.097,52	205.237.527,51
Less : 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	39.759.186,49	43.497.674,16
11+12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	82.177.136,97	106.597.559,20
TOTAL OPERATING RESULTS	99.961.774,06	98.639.968,31
Plus : 15. EXCEPTIONAL INCOME	13.832.849,15	22.838.940,45
16. EXCEPTIONAL EXPENSES	(12.354.958,88)	(7.583.160,87)
17. EXCEPTIONAL RESULTS	12.719.682,38	13.131.476,98
18. PROFIT (before tax)	114.159.346,71	111.771.445,29

APPROPRIATION TABLE

	2003	2002
Profit (before tax)	114.159.346,71	111.771.445,29
Plus:		
Retained Earnings	79.002.384,88	20.538.729,48
Special provision for tax	7.713.253,35	0,00
Own shares reserve available for appropriation	0,00	49.583.615,40
Extraordinary Reserves for appropriation	49.683.395,30	61.846.851,04
Less:		
Corporation Tax	21.233.430,81	19.346.981,91
Special provision for tax	0,00	7.713.253,35
Other taxes not incorporated into operating results	471.991,71	442.320,10
Prior years' taxes	1.642.322,35	180.061,57
	23.347.744,87	27.682.616,93
PROFITS FOR APPROPRIATION	227.210.635,37	216.058.024,28
Appropriation of profits was as follows:		
1. Ordinary reserve	3.921.576,14	4.168.089,89
2.& 3. Dividends (0,40 EUR per share)	80.102.802,40	59.273.430,30
5. Special reserves	419.940,26	80.078,79
5a. Extraordinary reserves	0,00	49.583.615,40
5b. Extraordinary reserves from tax-free profits	12.543.756,65	9.789.529,22
6a. Tax-free reserve (Law 148/67)	3.608.603,22	6.915.286,83
6b. Treasury Shares' reserve	15.699.803,06	0,00
7. Fees and percentages of members of the Board of Directors	65.650,00	51.650,83
7a. Benefits to staff	16.801.237,00	6.825.000,00
Retained earnings carried forward	94.047.266,64	79.371.343,02
	227.210.635,37	216.058.024,28

Athens, February 22, 2005

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

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS and DEPUTY MANAGING DIRECTOR
THEODOROS N. PANTALAKES
ID E 365123

FINANCE DIRECTOR
CONSTANTINOS I. LIAPIS
ID P 364378

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 2004. 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 local auditors. 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 with the exception of Note 5. 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 that Ordinary reserves (arising from portfolio devaluation) include an amount of at least EUR 65.3 million that relates to securities sold during the year, for which the adjustment of the cost to market values has been directly debited to reserves mainly in previous years. In our opinion, the above Accounts, which are in agreement with the books and records of the Bank, after taking our qualification above and the notes No 3, 5, 6, 7 and 8 into consideration, together with the Annex to the Balance Sheet, present fairly the structure of the Bank's assets and its state of affairs as at 31 December 2004 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, except for the case of Note 5.

Athens, February 22, 2005
The Certified Auditors



Constantinos L. Karanasios
ICA Reg No 13411
SOL SA Certified Auditors

Constantinos I. Michalatos
ICA Reg No 17701
PriceWaterhouseCoopers S.A.

