



PIRAEUS BANK S.A.

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

10th CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2003 (IN EURO)

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

ASSETS	31/12/2003	31/12/2002	LIABILITIES	31/12/2003	31/12/2002
1. CASH IN HAND AND BALANCES WITH THE CENTRAL BANK	785,912,384.53	592,754,052.41	I. LIABILITIES		
2. TREASURY BILLS AND SIMILAR SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK			1. DEPOSITS FROM CREDIT INSTITUTIONS		
a. State issued bills	117,705,723.81	90,775,298.26	a. Sight deposits	60,728,088.70	44,743,544.45
3. LOANS AND ADVANCES TO CREDIT INSTITUTIONS			b. With agreed maturity dates or periods of notice	2,100,688,015.38	2,220,633,775.75
a. Sight deposits	60,338,990.38	64,975,437.43	c. Repurchase agreements (Repos)	121,786,667.06	137,759,582.13
b. Other loans and advances to Credit Institutions	116,302,199.96	168,854,757.62	2. CUSTOMER ACCOUNTS		
c. Reverse Repos	43,305,594.00	19,407,990.12	a. Deposits	8,526,775,495.06	7,482,153,562.24
- Less: Provisions	0.00	0.00	b. Obligations other than deposits		
4. LOANS AND ADVANCES TO CUSTOMERS			ba) Sight	109,147,334.43	100,389,688.53
a. Loans to customers	10,530,193,689.97	8,943,386,584.78	bb) Upon maturity and on notice	43,823,319.66	29,665,913.67
b. Other receivables from customers	150,930,855.71	139,570,474.26	c. Repurchase agreements (Repos)	1,248,906,019.98	2,462,598,926.13
- Less: Provisions	402,780,923.38	324,538,508.54	3. LONG TERM LIABILITIES		
5. BONDS AND OTHER FIXED-INCOME SECURITIES			a. Debentures	223,281,674.57	0.00
a. State bonds	1,533,891,254.04	3,077,934,115.83	b. Loan stock (bank issued bonds)	465,095,618.23	688,377,292.80
b. Other issuers	323,113,492.31	439,456,943.33	4. OTHER LIABILITIES		
6. SHARES AND OTHER VARIABLE INCOME SECURITIES less THIRD PARTIES RIGHTS	1,857,004,746.35	3,517,391,059.16	5. DEFERRED INCOME AND ACCRUED EXPENSES		
7. INVESTMENTS IN NON AFFILIATED COMPANIES	533,138,120.79	454,804,670.39	6. PROVISIONS FOR LIABILITIES AND CHARGES		
8. INVESTMENTS IN AFFILIATED COMPANIES	73,491,349.97	89,558,124.53	a. Provisions for staff retirement benefits	12,136,992.69	1,234,177.58
9. INTANGIBLE FIXED ASSETS	390,940,604.66	250,882,231.03	b. Provisions for taxes	150,000.00	0.00
a. Formation and establishment expenses	9,775,964.95	9,113,339.06	c. Other provisions	51,890,020.92	64,177,013.61
c. Other intangible fixed assets	171,296,822.09	160,835,188.82	7. SUBORDINATED DEBT		
- Less: Accumulated amortization	137,827,322.08	113,710,281.01	Total Liabilities	13,392,339,098.36	13,389,902,664.69
10. TANGIBLE FIXED ASSETS			II. SHAREHOLDERS FUNDS		
a. Land, building sites	10,397,931.46	14,586,825.91	8. SHARE CAPITAL		
b. Buildings and installations	136,984,261.20	135,637,827.03	- Paid up	819,949,119.17	548,276,547.52
- Less: Accumulated depreciation	57,162,235.33	49,080,772.90	9. SHARE PREMIUM ACCOUNT		
c. Furniture, electronic and other equipment	123,460,705.44	112,362,434.45	- Paid up	355,531,397.10	323,098,454.15
- Less: Accumulated depreciation	93,886,756.60	82,050,786.17	10. RESERVES		
d. Other tangible fixed assets	7,103,909.28	7,301,243.84	- Ordinary reserve	51,034,796.56	28,797,541.89
- Less: Accumulated depreciation	5,392,795.37	5,038,195.82	- Ordinary reserve (from portfolio valuation)	(117,599,603.29)	(147,255,424.58)
e. Assets under construction and prepayments	1,711,113.91	2,263,048.02	- Extra-ordinary reserves	64,641,101.84	35,799,048.63
f. Land - Buildings of Industrial Estates	28,823,659.76	73,570,417.56	- Tax free reserves	17,439,589.30	15,515,884.41
- Less: Provisions	0.00	0.00	11. REVALUATION RESERVE	2,898,542.36	12,105,455.15
13. OTHER ASSETS	204,911,189.39	238,123,412.70	OWN SHARES' RESERVE	187,878.56	49,771,493.96
14. PREPAID EXPENSES AND ACCRUED INCOME	79,569,235.02	99,484,580.52	Less: OWN SHARES' (cost)	(19,786,949.93)	(19,579,071.37)
TOTAL ASSETS	14,734,537,905.76	14,724,849,659.75	12. RETAINED EARNINGS BROUGHT FORWARD		
			- Retained earnings brought forward and restatements	63,589,859.77	(44,443,751.67)
			GOODWILL - AMOUNTS WRITTEN OFF	(221,984,720.40)	(137,422,478.56)
			Piraeus Bank Shareholders' Total equity	1,015,921,011.04	688,649,530.03
			MINORITY INTERESTS IN EQUITY	326,277,796.36	726,297,465.03
			Total equity	1,342,198,807.40	1,334,946,995.06
			TOTAL LIABILITIES AND SHAREHOLDERS FUNDS	14,734,537,905.76	14,724,849,659.75

OFF-BALANCE SHEET ITEMS (LIABILITIES)

	31/12/2003	31/12/2002
1. CONTINGENT LIABILITIES	2,388,229,116.94	1,907,176,479.67
2. COMMITMENTS ARISING FROM TEMPORARY CONVEYANCE	1,371,551,014.94	2,261,351,389.89
3. OTHER MEMO ACCOUNTS	24,284,217,734.81	15,515,890,090.95
OFF-BALANCE SHEET TOTAL	28,043,997,866.69	19,684,417,960.51

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 [63.38%], 3) PIRAEUS BANK ROMANIA S.A. [99.99%], 4) PIRAEUS LEASING S.A. [58.89%], 5) PIRAEUS LEASING ROMANIA SRL [100%], 6) MULTIFACTORING S.A. [72.36%], 7) MULTIFIN S.A. [57.50%], 8) HELLENIC INVESTMENT COMPANY S.A. [36.96%], 9) SIGMA SECURITIES S.A. [100%], 10) PIRAEUS MUTUAL FUNDS S.A. [100%], 11) PIRAEUS ASSET MANAGEMENT EUROPE S.A. [99.94%], 12) PIRAEUS INSURANCE AGENCY S.A. [99.8%], 13) ETBA INSURANCE AGENCY S.A. [84.51%], 14) MULTICOLLECTION S.A. [25.50%], 15) PIRAEUS FINANCE S.A. [100%], 16) PIRAEUS EQUITIES HOLDING S.A. [100%], 17) PIRAEUS INVESTMENT CONSULTING S.A. [100%] and 18) PIRAEUS GROUP FINANCE P.L.C. [100%]. The companies numbered (5) and (18) are consolidated for the first time. Of the companies consolidated on 31/12/2002, the following have been excluded from consolidation on 31/12/2003: (a) ETBANK S.A. due to its merger with PIRAEUS BANK S.A., (b) ETBA LEASING S.A. due to its merger with PIRAEUS LEASING S.A., (c) PIRAEUS INVESTMENT S.A. due to its merger with HELLENIC INVESTMENT COMPANY S.A., (d) ETBA P&K MUTUAL FUNDS MANAGEMENT COMPANY due to its disposal, (e) ING PIRAEUS ASSET MANAGEMENT COMPANY S.A. and (f) EUROINVESTMENT & FINANCE LTD. 2. Due to the merger of ETBA Bank S.A. by Piraeus Bank S.A., the Share Capital has increased by EUR 270,372,801.00 resulting from the Share Capital of the merged Bank and increased by EUR 1,299,770.63 from the capitalization of part of the Share Premium Account. In addition, due to this merger, the resulting goodwill that amounted to EUR 144,706,691.83 was offset completely against the Share Premium Account. 3. The Bank and certain consolidated subsidiaries valued the securities portfolio following the requirements of Law 2992/2002. The resulting positive difference of EUR 37.9 million was added to the Reserves. Other shares and investments portfolio, of total amount EUR 563.3 million, was valued at cost. The corresponding market value, according to the relevant requirements of Law 2190/1920, amounts to EUR 372.4 million approximately. 4. Own Shares of EUR 0.2 million were presented as a reduction from Total Shareholders' Equity following the interpretation of International Accounting Standards. 5. The gain resulting from the disposal of Own Shares amounting to EUR 11.8 million did not increase the Profit for 2003 because it was directly credited to the Total Shareholders' Equity. 6. The Bank, due to the Merger with ETBA Bank, has requested its subjection to the directives of article 9 of Law 2992/2002 referring to "Merger Incentives" and the issuance of the relevant decision is expected by the authority in charge. However, for prudence reasons, the difference of the Income Tax, in compliance with the article 109 of Law 2238/1994 and the article 9 of Law 2992/2002, amounting to EUR 7.7 million was booked as "Special Provision for Tax". 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 2003 would amount to EUR 27.2 million, of which EUR 2.8 million relate to the year ended 31/12/2003. The total amount of retirement benefit provision as at 31/12/2003 amounts to EUR 12.1 million. 9. All disputes under litigation or arbitration as well as the pending court decisions have no significant effect on the financial position of the Group. 10. The fixed assets of the consolidated companies are free of any liens or encumbrances. 11. Tax Authorities have audited Piraeus Bank and ETBA Bank's tax positions for the year up to and including 1997 and 1998 respectively. The tax position of certain consolidated subsidiaries has not been audited for the years up to and including 2002. 12. 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. 13. The number of staff employed by the Group's companies on 31/12/2003 was 4,896.

CONSOLIDATED INCOME STATEMENT

	2003	2002
1. INTEREST INCOME		
- Interest on fixed income securities	122,659,988.75	178,734,342.73
- Other interest and equivalent income	634,531,431.50	757,191,420.25
Less: 2. INTEREST EXPENSE	365,997,080.68	422,257,203.18
	391,194,339.57	355,094,034.92
Plus: 3. INCOME FROM SECURITIES		
a. From shares and other variable income securities	16,826,607.58	14,809,725.96
b. From non affiliated companies	309,907.40	2,386,346.77
c. From affiliated companies	2,656,918.64	1,550,347.69
4 - 5. NET COMMISSION INCOME	19,793,433.62	18,746,420.42
	110,061,006.56	88,943,237.40
	521,048,779.75	462,783,692.74
	57,647,251.09	32,238,036.03
6. NET PROFIT FROM FINANCIAL TRANSACTIONS		
7. OTHER OPERATING INCOME		
a. Other operating income	16,508,618.14	11,666,062.01
b. Income from the operation of Industrial Estates	0.00	18,559,876.21
-Less: Cost of operating Industrial Estates	0.00	8,450,948.99
	595,204,648.98	516,796,718.00
Less: 8. GENERAL ADMINISTRATIVE EXPENSES		
a. Staff expenses		
- Wages and salaries	129,609,556.62	129,702,502.85
- Social insurance contributions	29,348,834.85	27,408,927.80
- Other expenses - charges	14,572,830.60	10,934,269.56
b. Other administrative expenses	173,531,222.07	168,045,700.21
	147,900,393.36	129,602,620.40
	273,773,033.55	219,148,397.39
	4,142,019.27	5,267,783.88
Less: 10. OTHER OPERATING EXPENSES	269,631,014.28	213,880,613.51
OPERATING RESULTS BEFORE DEPRECIATION AND PROVISIONS		
Less: 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	50,040,003.95	55,949,208.58
11+12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	68,507,893.25	72,549,128.06
	118,547,897.20	128,498,336.64
TOTAL OPERATING RESULTS	151,083,117.08	85,382,276.87
Plus: 15. EXCEPTIONAL INCOME	22,943,225.26	39,667,167.18
16. EXCEPTIONAL EXPENSES	(9,597,708.10)	(25,716,954.20)
17. EXCEPTIONAL RESULTS	612,785.60	13,958,302.76
18. PROFIT (before tax)	165,041,419.84	115,095,196.84
Analysed into:		
SHARE OF MINORITY IN PROFIT BEFORE TAX	27,254,185.34	24,801,130.80
PROFIT OF PIRAEUS BANK SHAREHOLDERS BEFORE TAX	137,787,234.50	90,294,066.04
Less: Corporation tax	33,605,965.51	34,254,137.79
Special provision for tax	7,713,253.35	0.00
PROFIT AFTER TAX	123,722,200.98	80,841,059.05
Less:		
SHARE OF MINORITY IN PROFIT AFTER TAX	22,240,950.05	14,641,291.53
PROFIT OF PIRAEUS BANK SHAREHOLDERS AFTER TAX	101,481,250.93	66,199,767.52

Athens, February 18, 2004

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

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS
IAKOVOS G. GEORGANAS
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DIRECTOR OF FINANCIAL SERVICES
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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 2003. 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 16.2% and 17.6% 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 14 million (net book value) relating to indemnities paid by the Bank to personnel, in accordance with the voluntary redundancy programs carried out in 2002 and 2003. From the above-mentioned amount, Euro 11.4 million relates to 2002, while an amount of Euro 2.6 million relates to 2003. These amounts were not expensed in the respective periods, but are 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 68.6 million, at the least, that relates to securities sold during the year, the valuation of which has been debited directly to reserves, mostly in prior years. 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), (8) and (11) 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 2003 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 19, 2004
The Certified Auditors



Constantinou 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 AT DECEMBER 31, 2003 (IN EURO)

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

ASSETS	31/12/2003	31/12/2002	LIABILITIES	31/12/2003	31/12/2002
1. CASH IN HAND AND BALANCES WITH THE CENTRAL BANK	725,502,646.84	551,599,773.52	I. LIABILITIES		
2. TREASURY BILLS AND SIMILAR SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK			1. DEPOSITS FROM CREDIT INSTITUTIONS		
a. State issued bills	17,886.40	5,463,032.43	a. Sight deposits	60,449,872.00	43,964,269.93
3. LOANS AND ADVANCES TO CREDIT INSTITUTIONS			b. With agreed maturity dates or periods of notice	1,987,565,738.25	2,074,160,858.18
a. Sight deposits	50,889,510.07	50,223,337.94	c. Repurchase agreements (Repos)	121,786,667.06	137,759,582.13
b. Other loans and advances to Credit Institutions	184,217,242.00	158,277,384.89	2. CUSTOMER ACCOUNTS		
4. LOANS AND ADVANCES TO CUSTOMERS			a. Deposits	8,350,655,896.29	7,105,921,292.43
a. Loans to customers	9,968,762,875.78	8,376,282,745.98	b. Obligations other than deposits		
b. Other receivables from customers	58,677,167.68	58,799,331.86	ba) Sight	80,886,262.53	80,108,497.34
- Less: Provisions	384,482,840.78	299,536,205.77	bb) Upon maturity and on notice	0.00	1,270,634.21
5. BONDS AND OTHER FIXED-INCOME SECURITIES			c. Repurchase agreements (Repos)	1,245,980,346.57	9,677,522,505.39
a. State bonds	1,481,458,286.78	3,049,084,398.69	3. LONG TERM LIABILITIES		
b. Other issuers	273,924,848.14	375,779,287.47	a. Loan stock (bank issued bonds)	465,095,618.23	277,058,557.03
6. SHARES AND OTHER VARIABLE INCOME SECURITIES less THIRD PARTIES RIGHTS	216,499,570.43	237,816,064.64	4. OTHER LIABILITIES	272,522,765.55	450,470,398.29
7. INVESTMENTS IN NON AFFILIATED COMPANIES	42,555,481.30	57,315,705.30	5. DEFERRED INCOME AND ACCRUED EXPENSES	41,997,860.49	54,888,207.43
8. INVESTMENTS IN AFFILIATED COMPANIES	996,376,511.95	838,220,667.23	6. PROVISIONS FOR LIABILITIES AND CHARGES		
9. INTANGIBLE FIXED ASSETS			a. Provisions for staff retirement benefits	11,568,406.14	725,811.00
a. Formation and establishment expenses	7,841,207.09	6,707,543.93	c. Other provisions	49,776,916.54	30,806,006.43
b. Other intangible fixed assets	148,440,478.38	136,508,017.64	Total Liabilities	12,688,286,349.65	12,718,450,373.79
- Less: Accumulated amortization	116,999,623.21	94,146,367.24	II. SHAREHOLDERS FUNDS		
10. TANGIBLE FIXED ASSETS			8. SHARE CAPITAL		
a. Land, building sites	6,647,178.28	10,311,785.94	- Paid up (197,578,101 shares of nominal value 4,15 EUR)	819,949,119.15	819,949,119.15
b. Buildings and installations	117,581,992.31	118,252,717.49	9. SHARE PREMIUM ACCOUNT		
- Less: Accumulated depreciation	52,281,245.17	47,821,582.20	- Paid up	355,531,397.10	356,100,838.09
c. Furniture, electronic and other equipment	113,384,515.92	102,074,412.77	10. RESERVES		
- Less: Accumulated depreciation	87,286,908.69	76,014,356.23	- Ordinary reserve	46,822,032.09	42,653,942.20
d. Other tangible fixed assets	6,331,614.22	6,391,624.32	- Ordinary reserve (from portfolio valuation)	(81,332,034.75)	(194,147,438.57)
- Less: Accumulated depreciation	5,013,218.90	4,625,069.58	- Extraordinary reserves	64,187,632.97	72,394,605.33
e. Assets under construction and prepayments	28,676,415.62	73,570,417.56	- Tax free reserves	16,137,861.01	45,815,491.32
f. Land - Buildings of Industrial Estates	0.00	124,952,540.59	11. REVALUATION RESERVE	2,789,642.47	21,834,519.68
- Less: Provisions	0.00	9,118,121.79	11A. GRANTS FOR FIXED ASSET INVESTMENTS	0.00	175,447,995.45
13. OTHER ASSETS	139,665,489.37	174,883,096.27	OWN SHARES' RESERVE	187,878.56	49,771,493.96
14. PREPAID EXPENSES AND ACCRUED INCOME	70,336,160.90	93,231,903.56	Less: OWN SHARES (cost)	(187,878.56)	(50,152,768.36)
TOTAL ASSETS	13,991,743,342.71	14,074,484,087.21	12. RETAINED EARNINGS CARRIED FORWARD	79,371,343.02	16,023,888.58
			Total equity	1,303,456,993.06	1,356,033,713.42
			TOTAL LIABILITIES AND SHAREHOLDERS FUNDS	13,991,743,342.71	14,074,484,087.21

OFF-BALANCE SHEET ITEMS (LIABILITIES)

	31/12/2003	31/12/2002
1. CONTINGENT LIABILITIES	2,366,224,664.68	1,912,806,590.14
2. COMMITMENTS ARISING FROM TEMPORARY CONVEYANCE	1,363,995,845.28	2,257,853,035.42
3. OTHER MEMO ACCOUNTS	23,874,621,201.64	14,889,700,077.19
OFF-BALANCE SHEET TOTAL	27,604,841,711.60	19,060,359,702.75

NOTES: 1. Due to the merger of ETBA Bank S.A. by Piraeus Bank S.A., the Share Capital has increased by EUR 270,372,801.00 resulting from the Share Capital of the merged Bank and increased by EUR 1,299,770.63 from the capitalization of part of the Share Premium Account. In addition, due to this Merger, the resulting goodwill that amounted to EUR 144,706,691.83 was offset against the Share Premium Account. 2. Investments in subsidiary and associate companies, investments in non-affiliated companies, as well as shares of non-listed companies amounting to EUR 1,145 million, were valued at cost. The corresponding market value as at 31/12/2003, according to the requirements of Law 2190/1920, amounts to EUR 687 million. The above stated amounts mainly relate to subsidiaries that are fully consolidated or consolidated using the equity method, the effect of which on the valuation will be eliminated upon consolidation. Other securities amounting to EUR 1,866 million were valued according to the requirements of Law 2992/2002, which allowed the deviation from the regulations of article 43 of Law 2190/1920, and the resulting negative difference of EUR 11.8 million was recorded directly to Reserves as a reduction without charging the Profit and Loss account. 3. Own Shares of EUR 0.2 million were presented as a reduction from Total Shareholders' Equity following the interpretation of International Accounting Standards. 4. The gain resulting from the disposal of Own Shares amounting to EUR 11.8 million did not increase the Profit for 2003 because it was directly credited to the Total Shareholders' Equity. 5. The Bank, due to the Merger with ETBA Bank, has requested its subject to the directives of article 9 of Law 2992/2002 referring to "Merger Incentives" and the issuance of the relevant decision is expected by the authority in charge. However, for prudence reasons, the difference of the Income Tax, in compliance with the article 109 of Law 2238/1994 and of the article 9 of Law 2992/2002, amounting to EUR 7.7 million was booked as "Special Provision for Tax". 6. 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 31st of December 2003 would amount to EUR 26.8 million, of which an amount of EUR 2.7 million relates to the year ended 31/12/2003. The total amount of retirement benefit provision as at 31/12/2003 amounts to EUR 11.6 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. Tax Authorities have audited Piraeus Bank and ETBA Bank's tax positions for the year up to and including 1997 and 1998 respectively. 10. The comparatives of 31/12/2002 have resulted from the aggregation of the Piraeus Bank S.A. and ETBA Bank S.A. balances so as to be comparable with the balances as at 31/12/2003. 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 number of staff employed by the Bank on 31/12/2003 was 3,996. 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». 13. The utilisation of capital, raised from share capital increases until the end of 2002, was completed during the first quarter of 2003.

INCOME STATEMENT

	2003	2002
1. INTEREST INCOME		
- Interest on fixed income securities	109,664,324.24	167,295,573.46
- Other interest and equivalent income	579,460,123.48	689,124,447.72
Less : 2. INTEREST EXPENSE	347,364,059.07	535,705,308.09
Plus : 3. INCOME FROM SECURITIES		
a. From shares and other variable income securities	9,397,428.92	6,349,632.84
b. From non affiliated companies	226,566.02	2,319,274.77
c. From affiliated companies	8,852,966.88	19,862,547.71
4 - 5. NET COMMISSION INCOME	18,476,961.82	28,531,455.32
	74,424,292.83	62,969,720.28
	434,661,643.30	388,517,974.83
Plus : 6. NET PROFIT FROM FINANCIAL TRANSACTIONS	39,834,422.27	44,382,867.75
7. OTHER OPERATING INCOME	17,882,201.14	12,751,345.98
a. Other operating income	0.00	18,559,876.21
b. Income from the operation of Industrial Estates	0.00	(8,450,948.99)
-Less: Cost of operating Industrial Estates	492,378,266.71	455,761,115.78
Less : 8. GENERAL ADMINISTRATIVE EXPENSES		
a. Staff expenses		
- Wages and salaries	112,590,259.98	111,104,666.98
- Social insurance contributions	26,042,146.34	24,455,586.52
- Other expenses - charges	13,176,305.02	9,633,184.36
b. Other administrative expenses	151,808,711.34	145,193,437.86
	131,237,337.92	114,549,741.59
	209,332,217.45	196,017,936.33
Less : 10. OTHER OPERATING EXPENSES	4,094,689.94	4,971,500.19
OPERATING RESULTS BEFORE DEPRECIATION AND PROVISIONS	205,237,527.51	191,046,436.14
Less : 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	43,497,674.16	47,908,104.75
11+12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	63,099,885.04	63,666,314.11
TOTAL OPERATING RESULTS	98,639,968.31	79,472,017.28
Plus : 15. EXCEPTIONAL INCOME	22,838,940.45	36,828,778.24
16. EXCEPTIONAL EXPENSES	(7,583,160.87)	(22,735,304.19)
17. EXCEPTIONAL RESULTS	13,131,476.98	14,278,792.65
18. PROFIT (before tax)	111,771,445.29	107,844,283.98

APPROPRIATION TABLE

	2003	2002
Profit (before tax)	111,771,445.29	107,844,283.98
Plus:		
Retained Earnings	20,538,729.48	6,390,311.41
Own shares reserve available for appropriation	49,583,615.40	5,071,041.49
Extraordinary Reserves for appropriation	61,846,851.04	0.00
Piraeus Bank dividends paid to ETBA Bank	0.00	17,128.80
Less:		
Corporation Tax	19,346,981.91	21,292,150.49
Special provision for tax	7,713,253.35	0.00
Other taxes not incorporated into operating results	442,320.10	208,835.15
Prior years' taxes	180,061.57	0.00
PROFITS FOR APPROPRIATION	216,058,024.28	97,821,780.04
Appropriation of profits was as follows:		
1. Ordinary reserve	4,168,089.89	3,732,694.23
2 & 3. Dividends (0,30 EUR per share)	59,273,430.30	49,096,744.00
5.Special reserves	80,078.79	644,025.74
5a. Extraordinary reserves	49,583,615.40	12,179,087.33
6. Reserves from tax-free profits	9,789,529.22	4,891,954.16
6a. Tax-free reserves (Law 148/67)	6,915,286.83	7,985,000.00
7. Fees and percentages of members of the Board of Directors	51,650.83	115,250.77
7a. Benefits to staff	6,825,000.00	3,153,135.23
Retained earnings carried forward	79,371,343.02	6,023,888.58
ETBA Bank dividends payable to Piraeus Bank	0.00	10,000,000.00
	216,058,024.28	97,821,780.04

Athens, February 18, 2004

CHAIRMAN OF THE BOARD OF DIRECTORS and MANAGING DIRECTOR

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
Passport No. C 261985

DIRECTOR OF FINANCIAL SERVICES

CONSTANTINOS I. LIAPIS
ID F 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 2003. 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. 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 14 million (net book value) relating to indemnities paid by the Bank to personnel, in accordance with the voluntary redundancy programs carried out in 2002 and 2003. From the above-mentioned amount, Euro 11.4 million relates to 2002, while an amount of Euro 2.6 million relates to 2003. These amounts were not expensed in the respective periods, but are 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 68.6 million, at the least, that relates to securities sold during the year, the valuation of which has been debited directly to reserves, mostly in prior years. 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, 6 and 9 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 2003 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 19, 2004
The Certified Auditors



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

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

