



**PIRAEUS BANK S.A.**  
ATHENS - Companies Register No.6065/06/B/86/04  
**INTERIM BALANCE SHEET AT JUNE 30, 2004 (IN EURO)**  
(P.D. 360/1985 & L. 2533/1997)

ASSETS	30/6/2004	30/6/2003	LIABILITIES	30/6/2004	30/6/2003
1. CASH IN HAND AND BALANCES WITH THE CENTRAL BANK		971,999,598.40	1. LIABILITIES		651,718,001.35
2. TREASURY BILLS AND SIMILAR SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK			1. DEPOSITS FROM CREDIT INSTITUTIONS		
a. State issued bills		1,931,309.73	a. Sight deposits	78,229,138.40	63,021,337.33
3. LOANS AND ADVANCES TO CREDIT INSTITUTIONS			b. With agreed maturity dates or periods of notice	1,894,181,892.62	1,746,321,425.13
a. Sight deposits	76,362,548.59	63,495,269.27	c. Repurchase agreements (Repos)	47,025,583.78	468,870,506.42
b. Other loans and advances to Credit Institutions	220,278,045.32	145,098,639.25	2. CUSTOMER ACCOUNTS		
c. Reverse Repos	16,342,556.05	151,301,037.58	a. Deposits	9,830,768,178.62	7,776,563,097.88
4. LOANS AND ADVANCES TO CUSTOMERS			b. Obligations other than deposits		
a. Loans to customers	10,987,913,056.01	8,980,858,501.11	ba) Sight	82,822,862.56	81,180,347.33
b. Other receivables from customers	45,757,545.48	50,546,616.18	c. Repurchase agreements (Repos)	760,060,633.93	10,673,651,675.11
- Less: Provisions	381,755,675.15	322,783,873.32	b. Loan stock (bank issued bonds)		442,924,962.13
5. BONDS AND OTHER FIXED-INCOME SECURITIES			4. OTHER LIABILITIES		
a. State bonds	1,018,076,323.62	2,454,890,099.43	5. DEFERRED INCOME AND ACCRUED EXPENSES		
b. Other issuers	189,355,607.07	242,773,122.47	6. PROVISIONS FOR LIABILITIES AND CHARGES		
6. SHARES AND OTHER VARIABLE INCOME SECURITIES less THIRD PARTIES RIGHTS			a. Provisions for staff retirement benefits	10,626,285.14	725,811.00
7. INVESTMENTS IN NON AFFILIATED COMPANIES			c. Other provisions	57,207,213.76	40,553,812.43
8. INVESTMENTS IN AFFILIATED COMPANIES			Total Liabilities	13,493,351,716.06	12,894,255,736.29
9. INTANGIBLE FIXED ASSETS			II. SHAREHOLDERS' FUNDS		
a. Formation and establishment expenses	8,327,409.76	7,227,952.24	8. SHARE CAPITAL		
c. Other intangible fixed assets	153,747,462.94	143,770,442.68	- Paid up (197,578,101 shares of nominal value 4,15 EUR)	819,949,119.15	819,949,119.15
- Less: Accumulated amortization	125,582,430.62	106,039,513.81	9. SHARE PREMIUM ACCOUNT	355,531,397.10	356,100,838.09
10. TANGIBLE FIXED ASSETS			10. RESERVES		
a. Land, building sites	4,968,528.24	6,665,533.48	- Ordinary reserve	46,822,032.09	42,653,942.20
b. Buildings and installations	118,202,607.33	109,815,664.00	- Ordinary reserve (from portfolio valuation)	(97,977,385.47)	(217,860,238.46)
- Less: Accumulated depreciation	54,578,420.98	48,843,332.95	- Extraordinary reserves	80,325,493.98	271,144,376.92
c. Furniture, electronic and other equipment	117,315,986.75	104,924,764.87	11. REVALUATION RESERVE		
- Less: Accumulated depreciation	92,916,226.22	82,136,576.96	TREASURY SHARES' RESERVE	350,061.56	49,771,493.96
d. Other tangible fixed assets	6,375,014.06	6,466,219.63	Less: TREASURY SHARES (cost)	0.00	(77,828,393.79)
- Less: Accumulated depreciation	5,191,479.38	4,912,944.54	12. RETAINED EARNINGS BROUGHT FORWARD		
e. Assets under construction and prepayments	28,774,191.42	29,488,275.66	Total equity	1,287,427,014.26	1,286,166,825.33
13. OTHER ASSETS			III. PROFIT (before tax)	78,288,616.47	68,756,901.48
14. PREPAID EXPENSES AND ACCRUED INCOME			TOTAL LIABILITIES AND SHAREHOLDERS FUNDS	14,859,067,346.79	14,249,179,463.10
<b>TOTAL ASSETS</b>	<b>14,859,067,346.79</b>	<b>14,249,179,463.10</b>			

**OFF-BALANCE SHEET ITEMS (LIABILITIES)**

	30/6/2004	30/6/2003
1. CONTINGENT LIABILITIES	2,828,669,752.47	1,890,268,953.93
2. COMMITMENTS ARISING FROM TEMPORARY CONVEYANCE	1,014,810,268.09	1,719,672,622.41
3. OTHER MEMO ACCOUNTS	26,778,664,228.64	16,814,892,478.21
<b>OFF-BALANCE SHEET TOTAL</b>	<b>30,622,144,249.20</b>	<b>20,424,834,054.55</b>

**Notes:** 1. The comparatives of 30/06/2003 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 30/06/2004. Certain amounts of the Comparative Financial Statements have been reclassified, so as to be comparable with the respective amounts reported in the current period. 2. The general accounting principles applied in the preparation of the Financial Statements of 30/06/2004 are stated in detail in the Annex to the Financial Statements of 31/12/2003. 3. The "Income from Securities" for the six-month periods to 30/06/2004 and 30/06/2003, represents the total receivable dividend income, for dividends that have been approved by the General Meetings of the companies until the 30th of June. 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 30th of June 2004 would amount to EUR 28.6 million, of which an amount of EUR 1.8 million would relate to the first half of 2004. The total amount of the recorded retirement benefit provision as at 30/06/2004 amounts to EUR 10.6 million. 5. All disputes under litigation or arbitration as well as the pending court decisions have no significant effect on the financial position of the Group. 6. Investments in subsidiary and associate companies, investments in non-affiliated companies, as well as shares of non-listed companies amounting to EUR 1,232 million, are presented on Balance Sheet at cost. Their corresponding book value of equity as at 30/06/2004, according to the requirements of Law 2190/1920, amounts to EUR 796 million. The above stated amounts mainly relate to subsidiaries that are fully consolidated, the effect of which on the valuation will be eliminated upon consolidation. The Group's Management has assigned to independent certified valuers, for the scope of the adoption of International Financial Reporting Standards (IFRS) and according to the article 15 of the law 3229/2004, the estimation of the fair value of property for the above companies that the Bank participates in. In addition, Management assigned the estimation of the fair value of the available for sale portfolio, which is expected not to differ from its cost. Taking into account the above-mentioned valuations of property as well as the fair value of the non-listed shares, it is expected that the total fair value, to which the Bank will adjust its above mentioned investments and non-listed shares according to the International Financial Reporting Standards, will be higher than the respective cost. Other securities amounting to EUR 1,266 million were valued according to the requirements of Law 2992/2002, which allowed the deviation from the regulation of article 43 of Law 2190/1920, and the resulting negative difference of EUR 7.4 million was recorded directly to Reserves. 7. The fixed assets are free of any liens or encumbrances. 8. The amounts invested in Fixed Assets during the first semester of 2004, were EUR 13 million approximately. 9. Piraeus Bank and the merged ETBA Bank have not been audited by the Tax Authorities for the years 1998-2003 and 1999-2002 respectively. 10. During the meeting of 29.6.2004, the Board of Directors of the Bank decided the merger of PIRAEUS BANK S.A. with PIRAEUS FINANCE S.A., PIRAEUS EQUITIES HOLDING S.A. and PIRAEUS INVESTMENT CONSULTING S.A. with transition Balance Sheet as at 30.06.2004. 11. The number of staff employed by the Bank on 30/06/2004 was 4,074. 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**

	1/1 - 30/6/2004	1/1 - 30/6/2003
1. INTEREST INCOME		
- Interest on fixed income securities	46,208,819.66	59,017,581.34
- Other interest and equivalent income	291,648,951.64	337,857,771.30
Less: 2. INTEREST EXPENSE	151,110,088.04	175,981,156.43
	186,747,683.26	160,306,437.74
Plus: 3. INCOME FROM SECURITIES		
a. From shares and other variable income securities	7,244,314.21	8,643,114.95
b. From non affiliated companies	65,710.00	0.00
c. From affiliated companies	14,772,000.07	22,082,024.28
4 - 5. NET COMMISSION INCOME	47,728,239.74	34,456,444.07
	256,557,947.28	211,833,829.34
Plus: 6. NET PROFIT FROM FINANCIAL TRANSACTIONS	10,367,791.78	28,245,461.02
7. OTHER OPERATING INCOME	6,468,766.69	6,062,108.06
	273,394,505.75	246,141,398.42
Less: 8. GENERAL ADMINISTRATIVE EXPENSES		
a. Staff expenses		
- Wages and salaries	57,892,338.74	53,750,206.88
- Social insurance contributions	12,952,313.28	12,072,557.62
- Other expenses - charges	5,865,066.67	76,709,718.69
b. Other administrative expenses	65,607,387.65	55,744,822.45
	131,077,390.41	119,720,768.23
Less: 10. OTHER OPERATING EXPENSES	2,582,804.87	2,818,489.35
OPERATING RESULTS BEFORE DEPRECIATION AND PROVISIONS	128,494,594.54	116,902,278.88
Less: 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	20,118,733.03	22,253,306.37
11+12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	42,369,233.66	35,129,102.90
TOTAL OPERATING RESULTS	62,487,966.69	57,382,409.27
	66,006,627.85	59,519,869.61
Plus: 15. EXCEPTIONAL INCOME	5,545,468.73	15,726,638.56
16. EXCEPTIONAL EXPENSES	(3,728,444.64)	(6,113,982.77)
17. EXCEPTIONAL RESULTS	10,464,964.53	(375,623.92)
18. PROFIT (before tax)	78,288,616.47	68,756,901.48

Athens, August 10, 2004

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 F 364378

**AUDIT REPORT**

To the Board of Directors of PIRAEUS BANK S.A.

We have carried out the audit required by the provisions of Article 6 of Presidential Decree 360/1985, as amended by article 90 of Law 2533/1997, applying, in accordance with the principles and auditing standards promulgated by the Institute of Certified Auditors Accountants, the audit procedures which we considered appropriate in order to concur that the above Interim Financial Statements of Piraeus Bank S.A., for the period between 1 January 2004 and 30 June 2004 do not contain any inaccuracies or omissions that would substantially affect the assets, liabilities and financial position as well as the results of the period of the Bank. During our audit, we took into consideration the accounting books and records of the Bank's branches. 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. Based on our audit, we concluded on the following finding: Ordinary reserves (arising from portfolio devaluation) include an amount of at least EUR 57.9 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. Based on the audit we have carried out, we concur that the above Interim Financial Statements are in agreement with the Bank's books and records, and after taking into consideration our above mentioned comment and the Bank's Notes (3), (4), (6) and (9), do not contain any inaccuracies or omissions that would substantially affect the assets, liabilities and the financial position of the Bank as at 30 June 2004, as well as the results of the period then ended, in conformity with prevailing legislation and generally accepted accounting principles which do not differ from those applied by the Bank in the respective period of the preceding year.

Athens, August 10, 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.





# PIRAEUS BANK S.A.

ATHENS - Companies Register No.6065/06/B/86/04  
CONSOLIDATED INTERIM BALANCE SHEET AT JUNE 30, 2004 (IN EURO)  
(P.D. 360/1985 & L. 2533/1997)

ASSETS	30/6/2004	30/6/2003	LIABILITIES	30/6/2004	30/6/2003
1. CASH IN HAND AND BALANCES WITH THE CENTRAL BANK	1,063,124,454.32	693,404,731.20	I. LIABILITIES		
2. TREASURY BILLS AND SIMILAR SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK			a. DEPOSITS FROM CREDIT INSTITUTIONS		
a. State issued bills	148,663,112.68	98,885,527.67	a. Sight deposits	80,486,974.72	67,665,986.81
3. LOANS AND ADVANCES TO CREDIT INSTITUTIONS			b. With agreed maturity dates or periods of notice	2,000,159,032.87	1,917,409,068.06
a. Sight deposits	86,028,542.56	75,049,898.17	c. Repurchase agreements (Repos)	47,025,583.78	468,870,506.42
b. Other loans and advances to Credit Institutions	127,258,365.43	126,556,839.51	2. CUSTOMER ACCOUNTS		
c. Reverse Repos	52,234,092.02	170,063,304.09	a. Deposits	9,831,513,613.45	8,141,975,739.63
4. LOANS AND ADVANCES TO CUSTOMERS			b. Obligations other than deposits		
a. Loans to customers	11,720,427,429.75	9,563,315,520.14	ba) Sight	122,912,376.57	109,908,483.19
b. Other receivables from customers	136,274,110.88	148,693,481.74	bb) Upon maturity and on notice	38,672,825.13	18,762,236.43
- Less: Provisions	403,302,531.15	343,396,602.03	c. Repurchase agreements (Repos)	769,947,054.93	1,988,994,829.94
5. BONDS AND OTHER FIXED-INCOME SECURITIES			3. LONG TERM LIABILITIES		
a. State bonds	1,074,255,170.23	2,494,214,148.28	a. Debentures	594,313,640.00	0.00
b. Other issuers	295,360,878.47	306,013,990.45	b. Loan stock (bank issued bonds)	412,924,962.13	1,007,238,602.13
6. SHARES AND OTHER VARIABLE INCOME SECURITIES less THIRD PARTIES RIGHTS	433,441,946.84	2,800,228,138.73	4. OTHER LIABILITIES		
7. INVESTMENTS IN NON AFFILIATED COMPANIES	52,485,469.38	478,757,239.13	5. DEFERRED INCOME AND ACCRUED EXPENSES		
8. INVESTMENTS IN AFFILIATED COMPANIES	415,909,572.03	87,132,694.96	6. PROVISIONS FOR LIABILITIES AND CHARGES		
9. INTANGIBLE FIXED ASSETS			a. Provisions for staff retirement benefits	11,542,070.34	1,260,045.40
a. Formation and establishment expenses	10,320,774.46	9,256,734.15	b. Provisions for taxes	45,556.00	0.00
c. Other intangible fixed assets	178,475,650.31	165,923,740.79	c. Other provisions	59,313,757.93	70,901,384.27
- Less: Accumulated amortization	148,951,979.20	39,844,445.57	7. SUBORDINATED DEBT		
10. TANGIBLE FIXED ASSETS			Total Liabilities	14,377,657,282.51	13,579,061,080.66
a. Land, building sites	12,020,804.99	10,875,281.38	II. SHAREHOLDERS' FUNDS		
b. Buildings and installations	140,363,625.58	128,873,605.85	8. SHARE CAPITAL	819,949,119.15	819,949,119.15
- Less: Accumulated depreciation	61,250,039.89	53,290,844.99	9. SHARE PREMIUM ACCOUNT	355,531,397.10	356,100,838.09
c. Furniture, electronic and other equipment	129,134,286.45	114,729,910.56	10. RESERVES		
- Less: Accumulated depreciation	100,724,857.77	88,347,224.44	- Ordinary reserve	51,075,589.73	46,186,679.10
d. Other tangible fixed assets	7,191,634.26	7,292,577.50	- Ordinary reserve (from portfolio valuation)	(93,077,246.74)	(279,745,637.75)
- Less: Accumulated depreciation	5,620,910.42	5,321,708.49	- Other reserves	82,038,242.64	40,036,585.63
e. Assets under construction and prepayments	28,920,958.31	29,646,030.97	11. REVALUATION RESERVE	3,158,876.86	273,142,470.36
13. OTHER ASSETS	254,243,487.23	1,970,869.01	TREASURY SHARES' RESERVE	350,061.56	49,771,493.96
14. PREPAID EXPENSES AND ACCRUED INCOME	98,588,382.14	29,646,030.97	Less: TREASURY SHARES' (cost)	(22,887,072.00)	(95,699,981.28)
			12. RETAINED EARNINGS BROUGHT FORWARD		
			- Retained earnings brought forward and restatements	60,082,520.14	(19,944,271.52)
			PRIOR YEARS' TAXES	(52,683.00)	(903,697.47)
			GOODWILL - AMOUNTS WRITTEN OFF	(278,808,123.00)	(226,550,218.93)
			Piraeus Bank Shareholders' Total equity	977,360,682.44	944,299,176.43
			MINORITY INTERESTS IN EQUITY	268,178,053.73	297,204,746.17
			Total equity	1,245,538,736.17	1,241,503,922.60
			III. PROFIT (before tax)		
			- Profit of Piraeus Bank Shareholders	101,110,446.17	74,127,431.19
			- Share of Minority in profit	22,565,965.04	11,681,586.21
			TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	15,746,872,429.89	14,906,374,020.66
TOTAL ASSETS	15,746,872,429.89	14,906,374,020.66			

### OFF-BALANCE SHEET ITEMS (LIABILITIES)

	30/6/2004	30/6/2003
1. CONTINGENT LIABILITIES	2,861,748,156.48	1,890,207,520.78
2. COMMITMENTS ARISING FROM TEMPORARY CONVEYANCE	1,022,931,846.34	1,725,557,945.24
3. OTHER MEMO ACCOUNTS	26,739,651,721.39	17,106,986,459.32
OFF-BALANCE SHEET TOTAL	30,624,331,724.21	20,722,751,925.34

**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. [69.70%], 5) PIRAEUS LEASING ROMANIA SRL [100%], 6) PIRAEUS FACTORING S.A. [72.36%], 7) PIRAEUS MULTIFIN S.A. [57.50%], 8) HELLENIC INVESTMENT COMPANY S.A. [47.97%], 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. [99.86%], 13) ETBA INSURANCE AGENCY S.A. [88.59%], 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%]. PIRAEUS GROUP FINANCE P.L.C. was consolidated for the first time on 30/09/2003. Of the companies consolidated on 30/06/2003, the following have not been included in the consolidation of 30/06/2004: (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. and (d) ETBA P&K MUTUAL FUNDS MANAGEMENT COMPANY due to its disposal. During the meeting of 29.6.2004, the Board of Directors of the Bank decided the merger of PIRAEUS BANK S.A. with PIRAEUS FINANCE S.A., PIRAEUS EQUITIES HOLDING S.A. and PIRAEUS INVESTMENT CONSULTING S.A. with transition Balance Sheet as at 30.06.2004. 2. The general accounting principles applied in the preparation of the Consolidated Financial Statements of 30/06/2004 do not differ from those stated in the Consolidated Annex to the Balance Sheet of 31/12/2003. 3. The "Income from Securities" for the six-month periods to 30/06/2004 and 30/06/2003, represents the total receivable dividend income, for dividends that have been approved by the General Meetings of the companies until the 30th of June. 4. The balances of 30/06/2004 resulted from the full consolidation of the aggregated Financial Statements of "Piraeus Bank S.A." and "ETBANK S.A." and the financial sector companies that were included in the Consolidated Financial Statements of 30/06/2004. Certain amounts of the comparative Consolidated Financial Statements of 30/06/2003 have been reclassified, so as to be comparable with the respective amounts reported for 30/06/2004. 5. The Bank and certain consolidated subsidiaries valued the securities portfolio following the requirements of Law 2992/2002. The resulting positive difference of EUR 1.8 million was recorded to Reserves. Other shares and investments portfolio not consolidated, of total amount EUR 544.5 million was valued at cost. The corresponding book value of equity as at 30/06/2004, according to the requirements of Law 2190/1920, amounts to EUR 360 million approximately. The Group's Management has assigned to independent certified valuers, for the scope of the adoption of International Financial Reporting Standards (IFRS) and according to the article 15 of the law 3229/2004, the estimation of the property fair value for the above companies that the Bank participates in. In addition, Management assigned the estimation of the fair value of the available for sale portfolio, which is expected not to differ from its cost. Taking into account the above-mentioned valuations it is expected that the total fair value, to which the Bank will adjust its other shares and non-consolidated investments portfolio according to the International Financial Reporting Standards, will be higher than the respective cost. 6. Treasury Shares were presented as a reduction from Total Shareholders' Equity following the interpretation of International Financial Reporting Standards. 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 record 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 a serving employee, the total amount required as at the 30th of June 2004 would amount to EUR 29.3 million, of which EUR 2.2 million relate to the first half of 2004. The total amount of retirement benefit provision as at 30/06/2004 amounts to EUR 11.5 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. Piraeus Bank S.A. and the merged ETBANK S.A. have not been audited by the Tax Authorities for the years 1998-2003 and 1999-2002 respectively. 12. The number of staff employed by the Group's companies on 30/06/2004 was 5,103.

### CONSOLIDATED INCOME STATEMENT

	1/1 - 30/6/2004	1/1 - 30/6/2003
1. INTEREST INCOME		
- Interest on fixed income securities	54,975,191.62	65,482,715.00
- Other interest and equivalent income	323,144,419.07	301,288,467.39
Less: 2. INTEREST EXPENSE	160,715,920.09	183,957,292.71
Plus: 3. INCOME FROM SECURITIES		
a. From shares and other variable income securities	13,745,149.91	13,322,557.74
b. From non affiliated companies	200,833.94	0.00
c. From affiliated companies	3,527,842.84	17,473,826.69
4-5. NET COMMISSION INCOME	66,417,587.93	50,522,217.87
6. NET PROFIT FROM FINANCIAL TRANSACTIONS	301,295,105.22	248,864,409.29
7. OTHER OPERATING INCOME	39,870,307.62	33,357,935.34
Less: 8. GENERAL ADMINISTRATIVE EXPENSES	5,881,859.09	5,373,525.18
a. Staff expenses	347,047,271.93	287,595,869.81
- Wages and salaries	68,376,112.62	62,124,667.90
- Social insurance contributions	14,870,467.30	13,605,643.01
- Other expenses - charges	6,608,192.35	5,792,536.29
b. Other administrative expenses	89,854,772.27	81,522,847.20
Less: 10. OTHER OPERATING EXPENSES	75,030,159.64	63,825,475.71
OPERATING RESULTS BEFORE DEPRECIATION AND PROVISIONS	182,162,340.02	142,247,546.90
Less: 9. DEPRECIATION AND AMORTIZATION OF FIXED ASSETS	2,596,796.94	2,910,929.49
11+12. PROVISIONS FOR BAD AND DOUBTFUL DEBTS AND CONTINGENCIES	179,565,543.08	139,336,617.41
TOTAL OPERATING RESULTS	24,214,583.22	25,571,282.65
Plus: 15. EXCEPTIONAL INCOME	45,540,706.70	36,930,109.54
16. EXCEPTIONAL EXPENSES	69,755,289.92	62,501,392.19
17. EXCEPTIONAL RESULTS	109,810,253.16	76,835,225.22
18. PROFIT (before tax)	5,644,789.52	15,862,279.39
Analysed into:	(3,820,621.20)	(7,809,294.86)
SHARE OF MINORITY IN PROFIT BEFORE TAX	12,041,989.73	920,807.65
PROFIT OF PIRAEUS BANK SHAREHOLDERS BEFORE TAX	123,676,411.21	8,973,792.18
Less: CORPORATE TAX (provision)	22,565,965.04	11,681,586.21
PROFIT AFTER TAX	101,110,446.17	74,127,431.19
Less: SHARE OF MINORITY IN PROFIT AFTER TAX	24,488,962.01	22,469,291.02
PROFIT OF PIRAEUS BANK SHAREHOLDERS AFTER TAX	99,187,449.20	63,339,726.38
Less: SHARE OF MINORITY IN PROFIT AFTER TAX	20,064,575.40	8,898,577.94
PROFIT OF PIRAEUS BANK SHAREHOLDERS AFTER TAX	79,122,873.80	54,441,148.44

Athens, August 10, 2004

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 F 364378

### AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of PIRAEUS BANK S.A.

We have carried out the audit required by the provisions of Article 6 of Presidential Decree 360/1985, as amended by article 90 of Law 2533/1997, applying, in accordance with the principles and auditing standards promulgated by the Institute of Certified Auditors Accountants, the audit procedures which we considered appropriate in order to occur that the above Consolidated Financial Statements of Piraeus Bank S.A. and its subsidiaries operating in the financial sector, for the period between 1 January 2004 and 30 June 2004 do not contain any inaccuracies or omissions that would substantially affect the consolidated assets, liabilities and financial position as well as the consolidated results of the period, of Piraeus Bank S.A. and its subsidiaries which have been included in the consolidation. The audit of the financial statements of the subsidiary companies, that have been included in the consolidation and represent 8.74% and 14.56% of total assets and turnover respectively, has been carried out by other Certified Auditors on whose audit reports we have relied, while, the Financial Statements of 8 subsidiary companies which have been included in the consolidation and represent 6.68% and 5.72% of the total assets and turnover respectively, have not been audited by Certified Auditors. Based on our audit, we concluded on the following finding: Ordinary reserves (arising from portfolio devaluation) include an amount of at least EUR 57.9 million that relates to securities sold during the year, for which the adjustment of cost to market values has been directly debited to reserves mainly in previous years. Based on the audit we have carried out, we concur that the above consolidated Financial Statements have been prepared in accordance with the provisions of Codified Law 2190/1920 and after taking into consideration our above mentioned comment and the Bank's Notes (3), (5), (8) and (11), do not contain any inaccuracies or omissions that would substantially affect the consolidated assets, liabilities and financial position as at 30 June 2004 of the companies included in the consolidation, as well as the consolidated results of the period then ended, in conformity with prevailing legislation and generally accepted accounting principles which do not differ from those applied by the Bank in the respective period of the preceding year.

Athens, August 10, 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.

