

FINANCIAL STATEMENTS INFORMATION FOR THE YEAR ended as at 31/12/2005 (published according to law 2190/1920, art.135 for companies preparing annual financial statements, consolidated or not, according to the IFRS)

The figures presented below provide general information about the financial position and results of Piraeus Bank and Piraeus Bank Group. The reader, who aims to form a full opinion on the Bank's financial position and results, must access the annual financial statements prepared according to the International Financial Reporting Standards and the Auditor's Report. Indicatively, the reader can visit the Bank's web site, where the above financial statements are posted. The company's Financial Statements can be found in the web site of Piraeus Bank at www.piraeusbank.gr, as well as in the Companies' Registry, with number 6065/06/B/86/04.

COMPANY'S PROFILE

Head Office:
Companies Registration Number:
Responsible prefecture:
Date of Approval of Financial Statements:
The Certified Auditor:
Auditing Company:
Type of Review Report:
Company's web side: Amerikis St.,105 64 Athens, Greece 6065/06/B/B6/04
Prefecture of Athens
21 February 2006
Constantinos I. Michalatos PriceWaterhouseCoopers S.A.
Non qualified-emphasis of matter Type of Review Report:

Company's web side:

Emphasis of matter: According to the Auditor's Report: "...Without qualifying our opinion, we draw attention to the fact that of the total Retirement Benefil Obligations amounting to Euro (15.15 million which relates to the Bank's liability arising from its participation in defined benefit plans based on an actuarial valuation, the amount of Euro 64 million may differ as a result of the Bank being subject to the conditions of Law 3371/2005 regarding social security regulation of banking institutions. The impact on the Bank's obligations has been determined as a result of an economical study that was carried out by the relevant Ministry and is expected to be ratified by Law'. Relevant to this matter is note 1.

Board of Directors Com Board of Directors Compositi Michalis G. Sallas Michalis I. Colakides Theodore N. Pantalakis Konstantinos P. Angelopoulos Ioannis V. Vardinoyiannis Georgios P. Alexandridis Eftichios Th. Vassilakis Ettichios Ih. Vassilakis lakovos G. Georganas Michalis D. Gigilinis Stilianos D. Golemis Nikolaos J. Zografos Lambros E. Kotsiris Dimitrios Th. I. Simeonidis Vassilios S. Fourlis

Chairman and Managing Director
Vice Chairman and Deputy Managing Director
Vice Chairman and Deputy Managing Director
Vice Chairman
Vice Chairman
Member
Member
Member

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BALANCE S	SHEET	INFORM
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	GROUP			BANK				
	31 Decemb		31 Decemb	per 2004	31 Decemb		31 Decemb	er 2004
ASSETS								
Cash and balances with central banks		1,570,219		1,158,567		1,218,081		1,056,146
Treasury bills and other eligible bills		221,977		150,943		40,103		249
Loans and advances to credit institutions		2,220,330		245,413		2,138,356		292,692
Derivative financial instruments		22,741		5,891		18,979		5,362
Trading securities		1,087,141		1,150,340		999,218		790,957
Other financial instruments at fair value								
through profit and loss Loans and advances to customers (net of provisions)		92,979		282,353		92,979		282,353
Loans and advances to customers (net or provisions)	15.884.149		12.168.306		14.948.637		11.859.026	
Less: Provisions for losses on loans & advances	(433,029)	15,451,119	(463,093)	11,705,213	(361,468)	14,587,169	(442,938)	11,416,088
Investment Securities	(100,000)	,,	(:==,===)	,,=	(00.1,.00)		(,,,,,,	,,
Available for Sale Securities	685,584		472,332		415,790		317,165	
Held to maturity	95,555	781,139	18,156	490,488	0	415,790	0	317,165
Investments in associated undertakings		65,641		45,587		46,426		25,819
Investments in subsidiaries		0		0		959,450		882,351
Intangible fixed assets								
Goodwill	141,306		96,897		0		0	
Other Intangible	60,932	202,238	23,195	120,092	10,174	10,174	8,775	8,775
Property, plant and equipment		973,606 11,958		754,473 0		192,915		189,698
Held for Sale Other assets		11,956		U		U		0
Deferred tax assets	137,218		112,502		115,872		105,800	
Inventories - Property	165,838		169,725		28,403		33,301	
Other assets	541,336	844,392	454,691	736,918	290,186	434,461	276,362	415,463
TOTAL ASSETS		23,545,480		16,846,278		21,154,101	_	15,683,118
LIABILITIES	-		_	,	_		_	,,
LADILITIES								
Due to credit insitutions		3,535,764		1,687,787		3,422,407		1,501,466
Derivative financial instruments		37,591		43,701		35,515		41,629
Due to customers		13,196,528		10,867,932		11,451,453		10,260,729
Debt securities in issue Other borrowed funds		3,745,688		1,649,510		3,725,139		1,672,429
Hybrid capital (Tier I)	201.178		193.572		201.260		200.000	
Subordinated debt capital (Tier II)	402,362	603,540	392,799	586,371	398,597	599,857	398,492	598,492
Other Liabilities	402,302	003,340	302,100	300,371	330,331	333,037	300,402	330,432
Retirement benefit obligations	154,699		150.223		151,447		148,256	
Deferred tax liabilities	60,223		29,490		33,280		19,387	
Other provisions	20,652		58,559		24,087		67,532	
Current income tax liabilities	29,018		26,056		20,168		12,010	
Other liabilities	554,118	818,710	477,205	741,533	231,750	460,732	388,309	635,494
Total Liabilities	-	21,937,821	_	15,576,834	_	19,695,103	_	14,710,239
EQUITY								
Share Capital		1,024,932		831,067		1,024,932		831,067
Share premium		330,643		365,733		330,643		365,733
Less: Treasury shares		(17,594)		(25,267)		(17,590)		(16,050)
Other reserves & Retained earnings	_	40,445	_	(269,329)	_	121,014	_	(207,871)
Piraeus Bank shareholders' equity		1,378,426		902,204		1,458,998		972,879
Minority interest in equity	_	229,233	_	367,240	_	4 450 000	_	-
Total Equity	=	1,607,659	_	1,269,444	_	1,458,998	_	972,879
TOTAL LIABILITIES AND EQUITY	-	23,545,480	_	16,846,278	_	21,154,101	_	15,683,118

COMPANIES CONSOLIDATED BY THE FULL METHOD OF CONSOLIDATION

		Unaudited			Unaudited
		tax			tax
	% holding	<u>years</u>		% holding	<u>years</u>
Marathon Banking Corporation (U.S.A.)	82.52%	2004-2005	32. Exodus S.A. (Greece)	50.10%	2004-2005
2. Tirana Bank I.B.C. (Albania)	88.72%	2003-2005	33. Electra S.A. (Greece)	100.00%	2005
Piraeus Bank Romania S.A. (Romania)	100.00%	2003-2005	 Komotini Real Estate Development S.A. (Greece) 	100.00%	2001-2005
Piraeus Atlas Bank A.D. (Serbia)	88.23%	2004-2005	35. Diagonios S.A. (Greece)	100.00%	2005
Piraeus Eurobank A.D. (Bulgaria)	99.79%	2003-2005	36. ND Development S.A. (Greece)	100.00%	2002-2005
Piraeus Bank Egypt S.A.E. (Egypt)	87.97%	1999-2005	37. Property Horizon S.A. (Greece)	100.00%	2003-2005
Sudanese Egyptian Bank (Sudan)	70.62%	2005	38. ETBA Industrial Estates S.A. (Greece)	65.00%	2003-2005
Piraeus Asset Management Europe S.A. (Luxemburg)	99.94%	2005	39. Piraeus Property S.A. (Greece)	100.00%	2005
Piraeus Leasing S.A. (Greece)	85.56%	2000-2005	40. Piraeus Development S.A. (Greece)	100.00%	2005
 Piraeus Leasing Romania SRL (Romania) 	100.00%	2003-2005	41. Piraeus Constructions S.A. (Greece)	100.00%	2005
 Piraeus Insurance Agency S.A. (Greece) 	100.00%	2003-2005	42. Piraeus Buildings S.A. (Greece)	100.00%	2005
12. Tirana Leasing S.A. (Albania)	100.00%	2005	43. Piraeus Developer S.A. (Greece)	100.00%	2005
13.Piraeus Sigma Devletoglou Securities S.A. (Greece)	80.00%	2003-2005	44. P – Parking S.A. (Greece)	100.00%	2001-2005
 Piraeus Group Capital LTD (United Kingdom) 	100.00%	2005	45. Estia Mortgage Finance P.L.C. (United Kingdom)	-	2005
 Piraeus Leasing Bulgaria (Bulgaria) 	100.00%	2005	46. Euroinvestment & Finance LTD (Cyprus)	81.87%	1998-2005
16. Auto Leasing Bulgaria (Bulgaria)	100.00%	2005	47. Lakkos Mikelli Real Estate LTD (Cyprus)	48.45%	2000-2005
17. Piraeus Enterprisers 4 LTD (Cyprus)	100.00%	2005	48. Philoktimatiki LTD (Cyprus)	42.27%	1989-2005
 Piraeus Group Finance P.L.C. (United Kingdom) 	100.00%	2005	49. Philoktimatiki Ergoliptiki LTD (Cyprus)	42.27%	1992-2005
19. Multicollection S.A. (Greece)	51.00%	2005	50. Aggressive Investments S.A. (Greece)	100.00%	2005
20. Piraeus Factoring S.A. (Greece)	100.00%	2005	 Ktimatoependitiki Tourist and Development S.A. (Greece) 	100.00%	2005
21. Piraeus Multifin S.A. (Greece)	87.50%	2005	52. New Evolution S.A. (Greece)	100.00%	2005
22. ETBA Finance S.A. (Greece)	100.00%	2003-2005	 Imperial Stockbrokers Limited (Cyprus) 	81.87%	1998-2005
23. E-Vision S.A. (Greece)	100.00%	2003-2005	54. Imperial Eurobrokers Limited (Cyprus)	81.87%	1998-2005
24. Piraeus Botifin S.A. (Greece)	100.00%	2001-2005	55. EMF Investors Limited (Cyprus)	81.87%	1998-2005
25. Picar S.A. (Greece)	100.00%	2001-2005	56. Euroinvestment Mutual Funds Limited (Cyprus)	81.87%	1998-2005
26. Piraeus Real Estate Investment Property S.A. (Greece)	37.80%	2004-2005	57. Bull Fund Limited (Cyprus)	81.87%	1998-2005
27. Bulfina S.A. (Bulgaria)	100.00%	2003-2005	 Good Works Real Estate Tourist and Development S.A. (Greece) 	100.00%	2005
28. ATFS S.A. (Greece)	100.00%	2004-2005	 New Flexible Tourist and Development S.A. (Greece) 	100.00%	2005
29. General Construction and Development Co. S.A. (Greece)	66.70%	2000-2005	60. New Up Dating Development Real Estate and Tourist S.A. (Greece)	100.00%	2005
30. Piraeus Best Leasing S.A. (Greece)	41.14%	2003-2005	61. Sunholdings Properties Company LTD (Cyprus)	21.13%	2005
31. Pireaus Direct Services S.A. (Greece)	100.00%	2003-2005	62. ABC Professional Systems S.A. (Greece)	100.00%	2005

The companies numbered 4-7, 12, 15, 16 and 39-82 were consolidated for the first time on 31/12/2005 and they were not included in the consolidations at 31/12/2004. Companies numbered 46 and 47 were consolidated on 31/12/2004 as associates, whereas on 31/12/2006 they were consolidated as subsidiaries due to increase in the holding percentage. Of the companies consolidated on 31/12/2004, the following have not been included in the consolidation on 31/12/2005 and present increases. The present included in the consolidation on 31/12/2004 as associates, whereas on 31/12/2004 as a present included in the consolidation on 31/12/2004 as as a present included in the consolidation on 31/12/2005 and present included in the consolidation on 31/12/2005 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation on 31/12/2004 as a present included in the consolidation of 31/12/2004 as a present included in the consolidation of 31/12/2004 as a present included in the consolidation of 31/12/2004 as a present included in the consolidation of 31/12/2004 as a present included in the consolidation of 31/12/2004 as a present included in the consolidation of 31/12/2004 as a present included in the consolidation of 31/12/2004 as a present included in the consolidation of 31/12/2004 as a present included in the consolidation

INCOME STATEMENT INFORMATION

Amounts in thousand euros

	Amounts in thousand e	uros		
	GROUP		BANK	
	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2004	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2004
Interest and similar income	1,109,656	756,851	982,048	685,841
Interest expenses and similar charges	(550,936)	(315,400)	(508,718)	(298,679)
Net Interest Income	558,720	441,451	473,330	387,162
Fee and commission income	168,639	129,138	114,114	95,962
Fee and commission expense	(25,030)	(23,751)	(25,901)	(21,635)
Net Fee and Commission Income	143,609	105,387	88,213	74,327
Dividend income	19,465	17,388	71,182	22,964
Net trading results	67,595	71,648	34,565	961
Gains less losses from investment securities	34,276	(1,355)	43,537	(519)
Other operating income	77,155	106,192	24,265	36,028
Total Net Income	900,820	740,711	735,092	520,923
Staff costs	(264,884)	(238,559)	(199.187)	(190.041)
Administrative expenses	(214.130)	(176.705)	(183,781)	(147.703)
Gains / (losses) from sale of property plant and equipment	4.561	12.534	(288)	10.288
Depreciation	(47,046)	(39,046)	(28,229)	(26,711)
Impairment losses on loans and advances	(69,023)	(90,213)	(51,762)	(76,154)
Provisions for contingent liabilities	(7,426)	(1,670)	(5,867)	(1,716)
Total operating expenses	(597,948)	(533,659)	(469,114)	(432,037)
Share of profit of associates	1,747	(990)	(403,114)	(432,037)
Profit before tax	304,619	206,062	265,978	88,886
Current Tax	(42,884)	(43,314)	(20,168)	(21,233)
Deferred Tax	20,993	13,210	15,787	1,778
Profit after tax	282,728	175,958	261,597	69,431
Minority interest in profit after tax	18,955	48,624	_	_
Profit after tax attributable to Piraeus Bank shareholders	263,773	127,334	261,597	69,431
Earnings per share (in Euros): - Basic	4.00	0.65	1 31	0.35
- Basic - Diluted	1.33	0.65	1.31	0.35
- Diluted	1.33	0.65	1.31	0.35
Proposed dividend per share (in Euros) :			0.50	0.40

STATEMENT OF CHANGES IN EQUITY INFORMATION

	GROUP		BANK		
	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2004	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2004	
Equity at the beginning of the year	1,269,444	1,229,408	972,879	948,733	
Issue of share capital	0	22,207	0	22,207	
Absorption of subsidiaries - cancellation of treasury shares	(17,391)	0	235,334	0	
(Purchases)/ disposals of treasury shares	20,415	(186)	9,898	(15,171)	
Available for sale reserve	59,506	5,062	59,193	5,433	
Profit after tax	282,728	175,958	261,597	69,431	
Prior year dividends	(99,470)	(66,768)	(80,103)	(59,273)	
Acquisitions and movement in subsidiaries holding	97,671	(101,375)	0	0	
Distribution of reserves	(11,166)	0	0	0	
Currency translation differences and other adjustments	5,922	5,138	200	1,519	
Equity at the end of the year	1,607,659	1,269,444	1,458,998	972,879	

CASH FLOW STATEMENT INFORMATION

	GR	DUP	BANK		
	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2004	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2004	
Total inflows/ (outflows) from operating activities	534.919	(690.061)	156.281	(1,047,391)	
Total inflows/ (outflows) from investing activitie	(447,666)	(301.847)	(217.682)	(137,067)	
Total inflows/ (outflows) from financing activitie	2,117,550	1,419,346	1,980,953	1,515,328	
Net increase / (decrease) in cash and cash equivalents	2,204,803	427,438	1,919,552	330,870	
Effect of exchange rate changes on cash and cash equivalents	3.226	(2.273)	2.327	846	
Cash and cash equivalents at the beginning of the year Cash and cash equivalents of absorbed subsidiaries at the beginning	1,307,033	881,868	1,267,064	935,348	
of the year	0	0	98,499	0	
Eliminations of cash equivalents of absorbed subsidiaries at					
the beginning of the year	0	0	(97,625)	0	
Cash and cash equivalents at the end of the year	3,515,062	1.307.033	3.189.817	1.267.064	

COMPANIES CONSOLIDATED BY THE EQUITY METHOD OF ACCOUNTING

The companies listed below have been consolidated using the method of equity accounting on 31 December 2005 :

	% holding		% holding
ING Piraeus Mutual Funds S.A. (Greece)	49.94%	12. El-Eywon Hospital (Egypt)	24.57%
2. ING Piraeus Life Insurance (Greece)	49.90%	13. Alexandria for Development and Investment (Egyp	19.35%
3. "Viotiki" Regional Development & Investment Co. S.A (Greece)	37.00%	14. Nile Shoes Company (Egypt)	34.57%
 Crete Scientific & Techn. Park Manag. & Develop. Co. S.A. (Greece) 	30.45%	15. Egyptian Commercial Insurance Co. (Egypt)	35.19%
"Evros" Development Company S.A. (Greece)	30.00%	16. Egyptian Integrated Storage Co. (Egypt)	35.19%
6. Etanal S.A. (Greece)	25.00%	17. Rebikat (Greece)	16.67%
7. Stalko S.A. (Greece)	25.00%	18. Abies (Greece)	16.67%
8. Solvency International S.A. of Investm. and Partic. Interests (Greece)	42.56%	19. Euroterra (Greece)	16.67%
Delphi Advanced Research Technologies LTD (Cyprus)	20.47%	20. APE Commercial Property S.A. (Greece)	27.80%
10. Project on Line S.A. (Greece)	40.00%	21. APE Fixed Assets S.A. (Greece)	27.80%
11. Monastiriou Technical Develop. Co. S.A. (Greece)	33.35%		

The companies numbered 9 and 12-21 were consolidated for the first time on 31/12/2005 and they were not included in the consolidation as at 31/12/2004. Company numbered 8 was consolidated on 31/12/2004 as subsidiary, whereas on 31/12/2006 it was consolidated as an associate due to partial disposal of holding percentage. Of the companies consolidated on 31/12/2005, the following have not been included in the consolidation on 31/12/2005, in NICP Priesus Assex Manaagments Love to its merger with ING Priesus Mantal Funds SA. b) Global Capital LTD. c) Hellenic Steel Company S.A., d) Greek Leather Processing Industry S.A., e) P. Manesis Bros. S.A., f) Illiou Group-Commercial S.A., g) Euroinvestment 8. Finance LTD and h) Lakkos Mikelli Real Estate LTD. Of these companies numbered b, c, d, e and f were transferred to the available for sale portfolio. Companies numbered g and h were consolidated as subsidiaries due to increase in the holding percentage.

Notes:

1) According to the financial study carried out by the responsible Ministry and notified to the Bank, the obligation to the ETAT amounts to euro 59.6 million, against provision of euro 64.4 million. The above mentioned amount is expected to be finalised by regulation of Law.

2) The accounting policies, adopted by the Group according to the International Financial Reporting Standards (IFRS), have been applied.

3) Tax authorities have audited Piraeus Bank's tax position for the years up to and including 2003. For the unaudited tax years of Piraeus Bank and its subsidiaries a provision has been raised according to International Financial Reporting Standards (IFRS).

4) Property, plant and equipment are free of any liens or encumbrances.

5) All disputes under litigation or arbitration, as well as the pending court decisions are not expected to have significant effect on the financial position of the Group.

6) The balances of loans to and deposits from related parties of the Group, as defined in IAS 24, amount to euro 108 million and euro 4,186 million respectively, as at 31 December 2005. From the above amounts, amounts of euro 1,780 million and euro 4,186 million respectively, as at 31 December 2005. The merger of the Bank with the "Hellenic Investment Company SA" was concluded by absorption of the latter by the former.

8) The number of staff employed by the Group and the Bank as at 31 December 2005 was 8,151 and 4,545 respectively. The number of staff employed by the Group and the Bank as at 31 December 2004 was 5,934 and 4,191 respectively.

Athens, February 21st 2006

CHAIRMAN OF THE BOARD OF DIRECTORS and MANAGING DIRECTOR VICE-CHAIRMAN OF THE BOARD OF DIRECTORS and DEPUTY MANAGING DIRECTOR FINANCE DIRECTOR