

Piraeus Bank Group			
(€ mn)	Dec. 2004	Dec. 2003	Δ%
Cash and Balances with BoG	1,114	786	41.7%
Loans and advances to banks	278	220	26.5%
Loans	12,685	10,681	18.8%
Minus provisions	-423	-403	5.1%
Net Loans	12,262	10,278	19.3%
Bonds	1,365	1,975	-30.9%
Shares (closed-end fund)	317	308	2.9%
Shares (including ING investment)	245	295	-16.9%
Participations	388	395	-1.7%
Net Fixed Assets	222	194	14.7%
Other Assets	400	284	40.6%
Assets	16,591	14,735	12.6%
Deposits from banks	1,714	2,283	-24.9%
Due to customers	10,666	9,153	16.5%
Customer repos	649	1,249	-48.1%
ECP & EMTN (senior)	1,174	223	425.9%
Other Liabilities	590	480	22.9%
Subordinated Debt (Tier II)	389	4	
Hybrid Capital (Tier I)	194		
Shareholders' funds	957	1,016	-5.8%
Minority interests in equity	258	326	-21.0%
Total equity	1,215	1,342	-9.5%
Liabilities & Equity	16,591	14,735	12.6%
Branches	309	257	20.2%
Staff	5,358	4,896	9.4%
(€ mn)	12m '04	12m '03	Δ%
Net interest income	446.6	391.2	14.2%
Net commission income	133.6	110.1	21.4%
Revenues from securities	20.1	19.8	1.7%
Results on financial operations	82.2	57.6	42.5%
Other operating income	13.8	16.5	-16.6%
Net Revenues	696.3	595.2	17.0%
Staff expenses	191.1	173.5	10.1%
General admin. & other expenses	170.6	152.0	12.2%
Depreciation	46.4	50.0	-7.3%
Operating Cost	408.1	375.6	8.7%
Profit before provisions	288.2	219.6	31.2%
Provisions	88.3	68.5	28.9%
Extra-ordinary results	17.2	14.0	22.9%
Profit BT & MI	217.0	165.0	31.5%
Minority Interests	39.9	27.3	46.2%
Profit BT attributable to Shareholders	177.2	137.8	28.6%
Tax	37.9	41.3	-8.3%
Profit AT & BMI	179.1	123.7	44.8%
Minority Interests	36.7	22.2	64.9%
Profit AT attributable to Shareholders	142.5	101.5	40.4%

FY 2004 RESULTS

40.4% INCREASE IN NET PROFIT
BY PIRAEUS BANK GROUP :
ALL TIME HIGHEST PERFORMANCE

"2004 was a record year for Piraeus Bank Group, achieving its all time highest performance in terms of profitability. This success is due to the consistency of its strategy, as well as the continued strong pace of its operating revenues.

The outlook for 2005 is also positive. The Group's growth both in Greece and abroad is continuous, exhibiting a significant enlargement in volumes and at the same time a considerable increase in its profits.

During the last two years, the Group has been fully prepared to implement the International Financial Reporting Standards. The first time application of IFRS is expected to have no impact on the Group's capital adequacy and total equity".

Michalis Sallas, Chairman & Managing Director

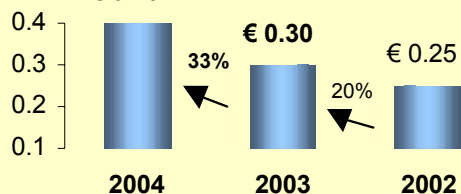
Pre-tax profit of Piraeus Bank Group in 2004 reached €217.0 mn against €165.0 mn in 2003, an increase of 31.5%, while after-tax profit of the Group amounted to €179.1 mn versus €123.7 mn in 2003, an increase of 44.8%.

After-tax profit attributable to Piraeus Bank's shareholders amounted to €142.5 mn in 2004 compared to €101.5 mn the previous year, representing a growth of 40.4%. The key points of 2004 results for Piraeus Bank Group are as follows:

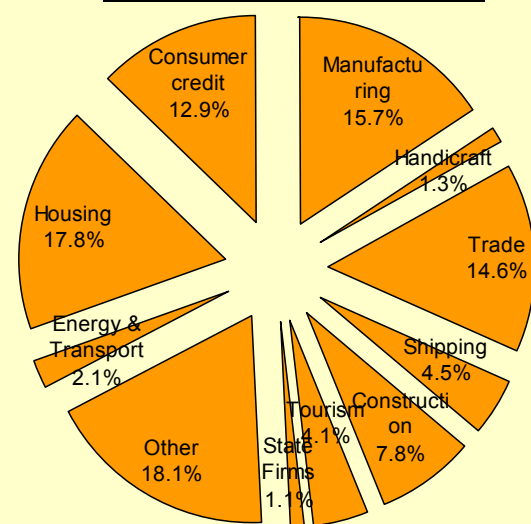
- ◆ Increase of net interest income by 14.2% and net commission income by 21.4%
- ◆ Enhancement of net interest margin-NIM (on average interest earning assets) above 3%
- ◆ Improvement of "cost to income" ratio to 58.6% versus 63.1% last year
- ◆ Expansion of the loan portfolio by 18.8%
- ◆ Rise of customer deposits by 16.5%
- ◆ Improvement of after-tax ROE to 14.4% up from 12.5% last year
- ◆ Enhancement of after-tax ROA to 1.14% up from 0.84% the previous year
- ◆ Retaining of capital adequacy ratio-BIS at a high level (13.1% with Tier I at 10.3% estimate)

The Board of Directors decided to propose to the Annual General Meeting of shareholders a dividend of €0.40 per share against €0.30 per share in 2003, i.e. increased by 33.3%, resulting in a dividend yield of 4%, as compared to

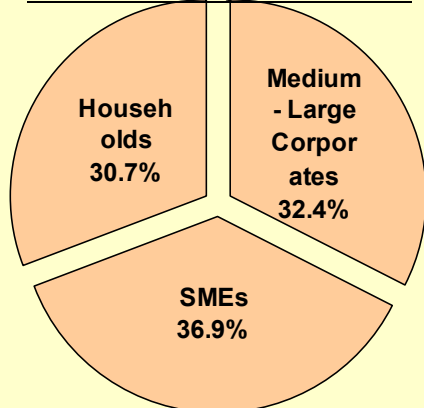
Proposed dividend per share € 0.40



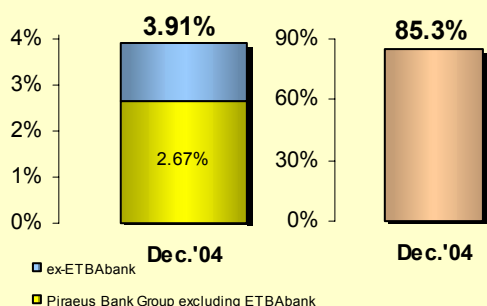
Loans breakdown by sector Dec.'04



Loans breakdown by customer Dec.'04



Non Performing Loans (NPL's) and Loan Loss Reserves / NPL's



the stock's average price during 2004 and 3.1% on the 31st December 2004 stock price.

Piraeus Bank Group's Balance Sheet

At the end of 2004 the Group's total assets amounted to €16,591 mn versus €14,735 mn a year ago, increased by 12.6%. This increase is mainly due to the gross loans which climbed 18.8% at the end of 2004 totalling €12,685 mn up from €10,681 mn a year earlier. This growth surpassed the respective growth rate of the total market which stood at 16.5%. As a result of this substantial expansion, loans accounted for 73.9% of total assets up from 69.8% last year, mainly at the expense of the bond portfolio, which decreased to 8.2% of total assets versus 13.4% last year and the participations, which reduced to 5.7% of assets compared to last year's 6.8%.

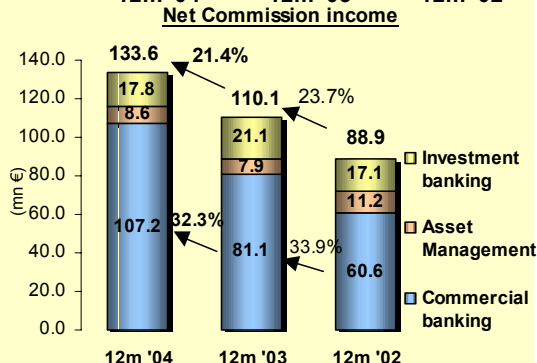
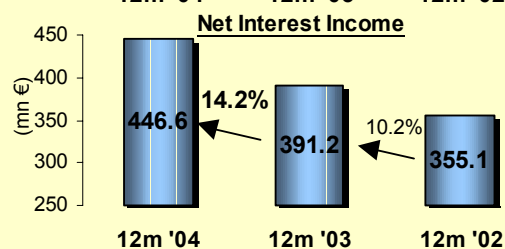
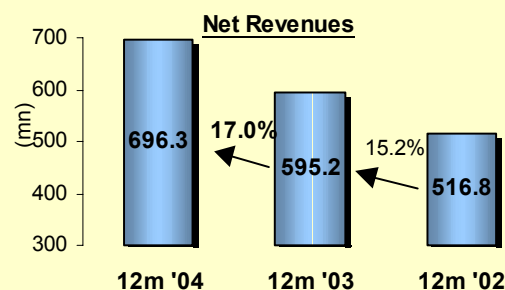
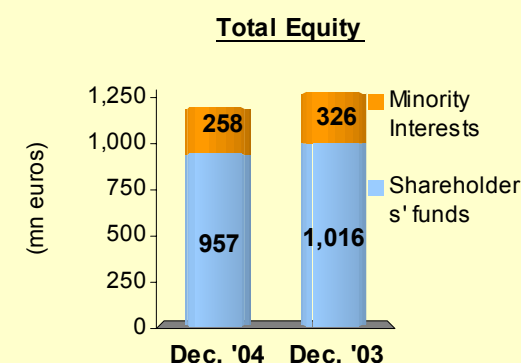
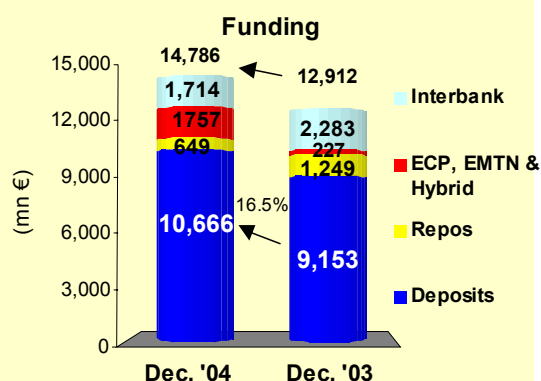
Mortgage lending expanded at a pace of 41.8% y-o-y, significantly higher than the market (27%), amounting to €2,229 mn against last year's €1,572 mn. Consumer loans (excluding consumer factoring) increased by 20.8%, totalling at the end of 2004 €1,496 mn versus €1,238 mn last year. In consumer factoring the Group continued its policy to reduce its position in this thin margin segment, thus decreasing by 49% to €123 mn. The participation of loans to households in the total loan portfolio accounted for 30.7% at the end December 2004, with the mid-term goal of further expansion.

The expansion of the households' loan portfolio is mainly attributed to the considerable increase of the Bank's new loans. In specific, the Bank's mortgage loans disbursements grew by 88% to €791 mn in 2004 against €420 mn last year, while the Bank's consumer loans disbursements rose by 43% up to €507 mn compared to €354 mn in 2003.

Loans to small and medium-sized enterprises (SMEs), a segment where the Group possesses significant know-how and places special emphasis, rose by 35.0% amounting to €4,631 mn in December 2004 versus €3,430 mn in 2003. These loans account for 36.9% of the total loans with an upward trend.

Loans to medium / large enterprises including shipping accounted for 32.4% of the total loan portfolio amounting to €4,059 mn at the end of December 2004, at the same level of 2003 (€4,047 mn).

The non-performing loans stood at 3.91% of gross loans at the end of 2004 against 3.98% a year earlier, while excluding the ex-ETBAbank loan portfolio the ratio stands at 2.67%. Loan loss reserves correspond to 85.3% of non-performing loans, which is one of the highest coverage ratios in the Greek banking market; in fact, it is much higher even than the average NPLs ratio of E.U.-15 banks (67.4%: source ECB, Dec.'03).



Customer deposits reached €10,666 mn compared to €9,153 mn at the end of 2003, an increase of 16.5%, with growth rates of 23% in savings deposits, 28% in sight deposits and 9% in time deposits. In customer deposits, ETBA bonds issued for the Bank's retail clientele are also included, which amounted to €475 mn at the end of 2004 stable at last year's level. The high growth rate of savings and sight deposits, which are funding sources of low cost, is the result of the "maturing" of the branch network. Customer repos amounted to €649 mn against €1,249 mn a year earlier, in line with the Group's strategy of decreasing the bond portfolio.

Moreover, the Group, in its effort to broaden its funding sources and to lengthen their average duration, had raised through ECP, EMTN (senior & subordinated debt) and hybrid issues €1,757 mn at the end of December 2004.

Total equity at the end of 2004 stood at €1,215 mn against €1,342 mn at the end of the previous year. Respectively, shareholders' funds amounted to €957 mn as opposed to €1,016 mn a year earlier. It is noted that during 2004, total equity was negatively affected from the implementation of the loan surcharges (panotokia) law by €37 mn. Also, in the framework of the Group's policy to enhance its core banking business, there has been an increase of participation in subsidiaries of the financial sector in 2004 (i.e. Marathon Bank, Piraeus Leasing, Piraeus Multifin, Piraeus Factoring). As a result, goodwill rose by €96 mn (reduction of total equity) and at the same time minority interests declined by €69.

Capital adequacy ratio (BIS) was strengthened in H2 2004, with the issue of a €400 mn LT2 subordinated bond and a hybrid T1 bond of € 200 mn, standing at 13.1%, with Tier I at 10.3% (estimate).

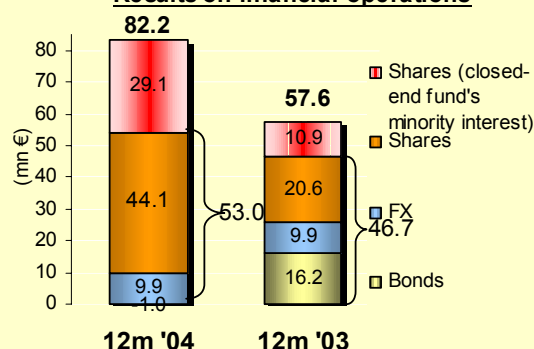
Analysis of the Piraeus Bank Group's Results

Total net revenues in 2004 amounted to €696.3 mn compared to €595.2 mn in 2003 up by 17.0%, with 83.3% stemming from net interest income and commission income. This significant improvement of net revenues is also related to the increase of business volumes through the expanding branch network, which reached 309 units, with 113 of them established after 2001.

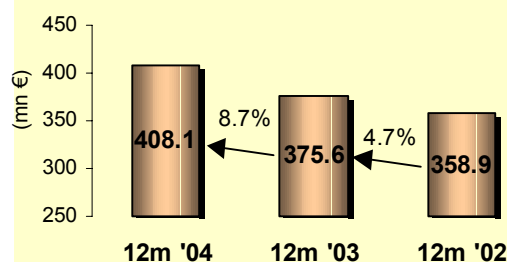
Net interest income rose by 14.2% amounting to €446.6 mn as opposed to €391.2 mn in 2003. Net interest margin (net interest income on average interest earning assets) was additionally strengthened to above 3%, reaching 3.07% against 2.88% a year earlier.

Net commission income totalled €133.6 mn compared to €110.1 mn in 2003, an increase of 21.4%. 80% of net commission income is generated through

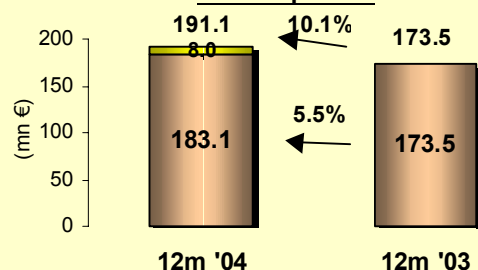
Results on financial operations



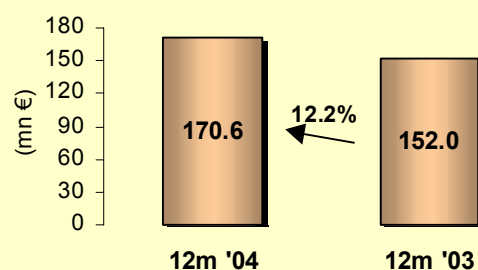
Total Operating Cost



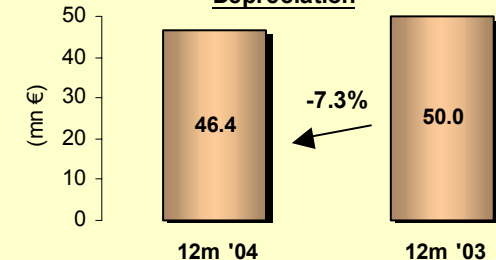
Staff expenses



General admin. & Other Expenses



Depreciation



commercial banking activities, standing at €107.2 mn in 2004 against €81.1 mn last year, grown by 32.3% mn.

Results on financial operations reached €82.2 mn in 2004 versus €57.6 in 2003. The major part of it was the outcome of stock trading of Hellenic Investment SA equity portfolio (the closed-end fund of the Group). So, the attributable to the shareholders results on financial operations reached €53.0 mn against €46.7 mn in the previous year, an increase of 13.5%.

Other operating income, which includes revenues from other banking activities, amounted to €13.8 mn against €16.5 mn the previous year.

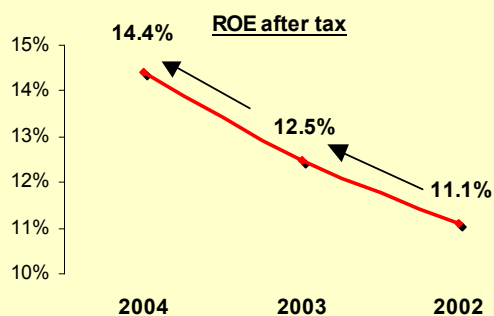
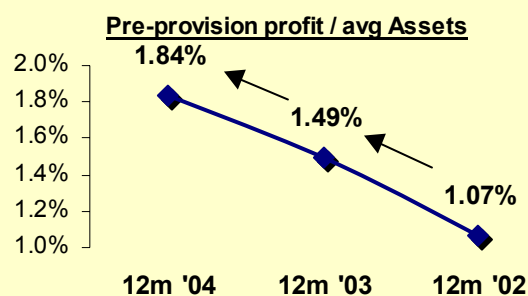
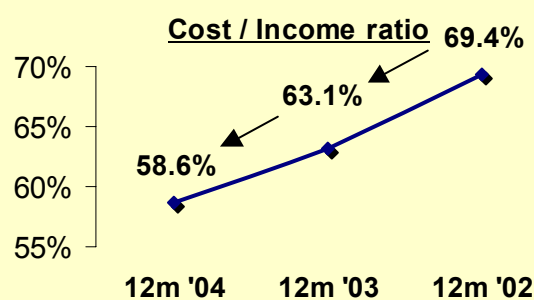
Total cost (personnel costs, administrative and other expenses plus depreciation) amounted to €408.1 mn against €375.6 mn in 2003, mainly due to the branch network expansion by 20% (309 units versus 257 last year), mostly focused on the greater Athens area and in the Balkan countries. It should be noted that Piraeus Bank is the only bank, compared to its peer group, which significantly expands its branch network, placing special emphasis on the greater Athens area, where the existing network does not correspond to the Bank's size and the area's business volumes.

Staff expenses rose by 5.5% versus 2003 (€183.1 mn against €173.5 mn a year ago), if new hires due to branch expansion are excluded. With the addition of 462 new employees (189 in Greece, 217 in the Balkans and 56 in New York) mainly due to the expansion of the branch network in Greece and abroad (28 domestically, 20 in the Balkans and 4 in New York from Interbank's acquisition), staff expenses were up by 10.1%. It should be mentioned that the workforce increased at a significantly lower pace than the expansion of branch network, i.e. 9.4% (5,358 employees in December 2004 against 4,896 last year) and 20% respectively, since newly established branches in Greece were mainly staffed from existing personnel.

General administrative expenses and other expenses in 2004 equalled to €170.6 mn versus €152.0 mn in 2003, showing an increase of 12.2%. This rise is mainly attributed to expenses related to the enlargement of the branch network and the increase of business volumes of the Group.

The depreciation expense was €46.4 mn against €50.0 mn last year, presenting a reduction of 7.3%, due to the fact that large technological investments, which took place in the period 1999-2000 (merger of the Piraeus Bank, Macedonia-Thrace Bank and XiosBank), have been depreciated to a large extent.

The "cost to income" efficiency ratio improved significantly by 450 basis points down to 58.6% from 63.1% in 2003.



Pre-provision profit amounted to €288.2 mn compared to €219.6 mn a year earlier, increased by 31.2%. The “pre-provision profit to average assets” (“recurring earning power”) ratio had a considerable improvement and reached 1.84% against 1.49% the previous year.

The provision expense was €88.3 mn in 2004 against €68.5 mn a year ago, increased by 28.9%, contributing to the coverage ratio of NPLs, which stood at 85.3%. It should be noted that in 2004 already formed reserves of €64 mn were used to write-off an equal amount of doubtful claims against customers.

Extra-ordinary revenues-expenses and results were €17.2 mn against €14.0 mn the previous year. It is noted that, if these amounts appeared as “other operating income-expenses”, according to IFRS, this would result in a further improvement of “cost to income” ratio to 57.2%.

The significantly enhanced profitability led to the improvement of ROE and ROA ratios. In specific, ROE increased to 18.0% before tax up from 17.0% in 2003 and to 14.4% after tax up from 12.5% a year ago. ROA also advanced to 1.39% before tax up from 1.12% in 2003 and to 1.14% after tax up from 0.84% last year.

Latest Developments

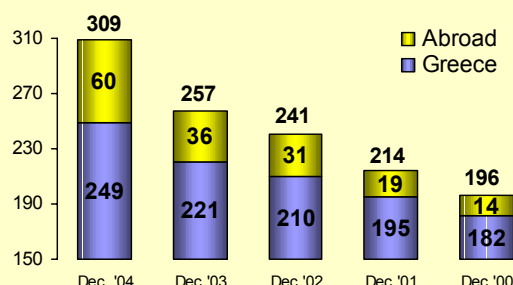
In 2004 and at the beginning of 2005, 217 employees of Piraeus Bank retired through a voluntary retirement scheme. This reduction in personnel will decrease the 2005 staff costs of the Bank by €7.2 mn, while the benefit for year 2006 will be €11.1 mn.

In mid February 2005, an agreement was signed for the acquisition of 80% of the share capital of the Serbian bank Atlas Bank. Atlas Bank operates in the Serbian banking market since 1995 and possesses a network of 9 branches, while 4 new branches are going to open soon. Its customer deposits amount to €44 mn and total loans to €36 mn, maintaining a market share of 1%.

In late January 2005, an agreement was signed for the acquisition of 99.7% of the share capital of the Bulgarian bank Eurobank. Eurobank operates in the Bulgarian market for more than 10 years and possesses a network of 48 outlets, which is complementary to Piraeus Bank’s network in the country. Following this acquisition, Piraeus Bank Group strengthens its presence in Bulgaria by creating a well-distributed network of 61 outlets in 28 cities. Total customers’ deposits of the Group amount to €225 mn and total loans to customers to €310 mn, resulting in a market share of over 4.2%.

In late November 2004, Piraeus Bank, in the context of strengthening its strategic alliance with ING Group, decided on a direct equity participation in

Branch network evolution

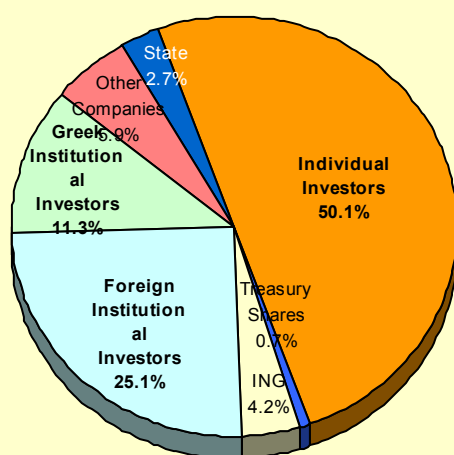


Stock Exchange Indices (end of year)

	2003	2003	2002
ASE General Index	2,786	2,264	1,748
% change	23.1%	29.5%	
FTSE / ASE – 20 Index	1,574	1,170	864
% change	34.5%	35.4%	
ASE Banking Index	6,129	4,247	2,688
% change	44.3%	58.0%	
FTSE Eurotop 300 Banks	947	858	713
% change	10.4%	20.3%	
Piraeus Bank's share (€)	€12,86	€9,63*	€5,91*
% change	33.5%	62.9%	

* Adjusted price due to capital increase

Piraeus Bank's shareholder structure (Dec. '04)



the share capital of ING Group N.V. in a percentage equal to the value of the 20% stakes held until then by Piraeus in the two ING Greek insurance companies ING Greek Life Insurance S.A. and ING Greek General Insurance S.A.

Within the framework of restructuring of Piraeus Bank's participation portfolio and creating economies of scale, the absorption of the 100% subsidiaries Piraeus Finance, Piraeus Equities Holding, an Piraeus Investment Consulting by the Bank was concluded in 2004. At the same time, a series of business moves was completed during 2004:

- the absorption of Interbank New York by Marathon Banking Corporation,
- the merger of Devletoglou Securities with Sigma Securities by absorption of the first by the latter,
- the merger of ETBA Insurance Brokerage with Piraeus Insurance Brokerage by absorption of the first by the latter

Finally, the merger procedure of Piraeus Redfin by Piraeus Bank has commenced, as well as the merger of ING Piraeus Mutual Funds Company with ING Piraeus Asset Management Company, by absorption of the latter by the first and the merger of Piraeus Economic Research by ETBA Finance. These mergers are expected to be concluded in 2005.

Piraeus Bank's share data

In the last twelve-months, the price of Piraeus Bank's share fluctuated between €15.24 (max) and €8.50 (min), while closing at €15.10 on Monday February 21st, 2005, with a market capitalisation of €3.0 mn, ranked 9th in ATHEX and 4th among companies of the private sector.

The improved profitability of Piraeus Bank Group during the last years has also been reflected in the stock price, which increased in 2004 by 33.5% right after its 62.9% rise in 2003.

The liquidity of the Piraeus Bank stock remains particularly high in ATHEX, with a percentage of 50.8% (Jan.'04-Dec.'04), compared to 31.9% of the banking index respectively.

International Financial Reporting Standards (IFRS)

As of the 1st Quarter of 2005 Piraeus Bank Group's financial statements will be prepared according to the International Financial Reporting Standards (IFRS).

For the better and prompt familiarization of the investment community, we cite an estimate of the main consolidated balance sheet items (Assets, Liabilities and Shareholders' Funds) as of 31st December 2004 in accordance with

**Initial estimates on
consolidated balance sheet at 31.12.2004
according to IFRS
(amounts in mn €)**

ASSETS

Cash and balances with central bank	1,114
Trading securities - bonds	1,483
Trading securities - shares	342
Loans and advances to banks	280
Loans and advances to customers	11,976
Investment securities	144
Intangible assets (software)	22
Property, plant and equipment-Own property	228
Property, plant and equipment-Investments	670
Deferred income tax assets (net)	57
Other assets	428

Total Assets **16,744**

LIABILITIES

Deposits from banks	1,720
Due to customers	10,781
Debt securities in issue	1,636
Subordinated Debt	402
Hybrid Capital	194
Pension liabilities & other employees' benefits	132
Other provisions	42
Other liabilities	534

Total Liabilities **15,442**

EQUITY

Capital and reserves attributable to shareholders	902
Minority interest	401

Total Equity **1,303**

Total Equity and Liabilities **16,744**

IFRS. It should be stressed that all figures are initial estimates; they are not definite and not audited by certified auditors.

Piraeus Bank Group's capital adequacy is expected to be maintained at the same level following the application of IFRS, since total equity stands at slightly higher levels. It is expected that shareholders' funds will amount to €902 mn (after taking into account the total goodwill before and after the transition date, 31.12.2003), that is €55 mn lower than the respective figure according to Greek GAAP. This shareholders' funds figure incorporates all the positive and negative adjustments resulting from the application of IFRS 1, including the required reserves for the coverage of pension funds liabilities, personnel compensation etc. On the contrary, minority interests are expected to total €401 mn, or approximately €145 mn higher compared to the Greek GAAP financial statements, due to the full consolidation of the non-financial sector companies.

Athens, 22nd February, 2005