

PIRAEUS BANK, Income Statement

May 14th, 2003

Valuation Model by "VRS"

Consolidated Financial Statements, Greek GAAP (in EUR mil.)

| | 2001 | % | 2002 | % | 2003 | % | 2004 | % | 2005 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Interest Income | 705.23 | 11.89% | 789.12 | 8.01% | 852.33 | 5.35% | 897.89 | 3.64% | 930.60 |
| Interest on Bonds | 179.64 | 6.04% | 190.50 | | | | | | |
| Interest on Loans | 525.59 | 13.89% | 598.62 | | | | | | |
| Interest Expense | 431.48 | -2.14% | 422.26 | 4.66% | 441.92 | 2.16% | 451.47 | 1.71% | 459.21 |
| Net Interest Income | 273.76 | 34.01% | 366.86 | 11.87% | 410.41 | 8.77% | 446.42 | 5.59% | 471.39 |
| Net Interest Income / Interest Income | 38.82% | | 46.49% | | 48.15% | | 49.72% | | 50.65% |
| Fee & Commission Income (net) (1) | 89.09 | -0.16% | 88.94 | 5.00% | 93.39 | 8.50% | 101.33 | 12.50% | 113.99 |
| Trading Income (2) | 109.69 | -81.34% | 20.47 | -35.00% | 13.31 | 25.00% | 16.63 | 25.00% | 20.79 |
| Income from Securities (3) | 12.44 | 50.71% | 18.75 | 5.00% | 19.68 | 6.50% | 20.96 | 7.00% | 22.43 |
| Other Operating Income (4) | 5.18 | 320.28% | 21.77 | 5.50% | 22.97 | 6.50% | 24.47 | 7.50% | 26.30 |
| (1) + (2) + (3) + (4) | 216.40 | -30.71% | 149.94 | -0.39% | 149.35 | 9.40% | 163.39 | 12.32% | 183.52 |
| Total Operating Income | 490.16 | 5.43% | 516.80 | 8.31% | 559.77 | 8.94% | 609.82 | 7.40% | 654.91 |
| Personnel Expenses | 144.33 | 16.43% | 168.05 | 2.50% | 172.25 | 2.50% | 176.55 | 2.50% | 180.97 |
| G&A Expenses | 129.28 | -0.17% | 129.06 | 2.00% | 131.64 | 2.00% | 134.27 | 1.50% | 136.29 |
| Depreciation | 49.14 | 13.86% | 55.95 | 10.00% | 61.54 | 10.00% | 67.70 | 10.00% | 74.47 |
| Other Operating Expenses | 2.74 | 181.78% | 7.71 | 2.00% | 7.86 | 2.00% | 8.02 | 1.50% | 8.14 |
| Operating Expenses | 325.49 | 10.84% | 360.77 | 3.47% | 373.30 | 3.55% | 386.55 | 3.45% | 399.87 |
| Operating Profit | 164.67 | -5.25% | 156.03 | 19.51% | 186.47 | 19.73% | 223.27 | 14.23% | 255.05 |
| Non Int. Exp. / Operating Income | 66.40% | | 69.81% | | 66.69% | | 63.39% | | 61.06% |
| Loan Loss Provisions | 63.62 | 11.04% | 70.65 | 3.33% | 73.00 | 8.22% | 79.00 | 8.23% | 85.50 |
| Net Extraordinaries | -1.99 | -1595.35% | 29.71 | -83.17% | 5.00 | 0.00% | 5.00 | 0.00% | 5.00 |
| Profit Before Tax and Minority Interests | 99.06 | 16.18% | 115.10 | 2.93% | 118.47 | 26.00% | 149.27 | 16.94% | 174.55 |
| Taxation | 34.61 | -1.02% | 34.25 | 0.30% | 34.36 | 26.00% | 43.29 | 16.94% | 50.62 |
| Effective Tax Rate | 34.94% | | 29.76% | | 29.00% | | 29.00% | | 29.00% |
| Profit Before Minorities | 64.46 | 25.42% | 80.84 | 4.05% | 84.11 | 26.00% | 105.98 | 16.94% | 123.93 |
| Less Minority Interests | 4.83 | 203.13% | 14.64 | 2.45% | 15.00 | 33.33% | 20.00 | 0.00% | 20.00 |
| Net Profit | 59.63 | 11.03% | 66.20 | 4.40% | 69.11 | 24.41% | 85.98 | 20.88% | 103.93 |
| Net Profit Margin | 12.16% | | 12.81% | | 12.35% | | 14.10% | | 15.87% |

Source: Bank accounts and "VRS" forecasts.

PIRAEUS BANK, Balance Sheet

Valuation Model by "VRS"

| Consolidated Financial Statements, Greek GAAP (in EUR mil.) | 2001 | % | 2002 | % | 2003 | % | 2004 | % | 2005 |
|---|-----------|--------|-----------|--------|-----------|-------|-----------|-------|-----------|
| Total Assets | 12,420.75 | 19.06% | 14,787.64 | 5.00% | 15,527.02 | 8.00% | 16,769.18 | 5.00% | 17,607.64 |
| Interest - Earning Assets (year-end) | 10,439.94 | 24.25% | 12,971.51 | 5.34% | 13,663.78 | 8.61% | 14,840.73 | 5.59% | 15,670.80 |
| As % of Total Assets | 84.05% | | 87.72% | | 88.00% | | 88.50% | | 89.00% |
| Average Interest - Earning Assets | | n/a | 11,705.72 | 13.77% | 13,317.64 | 7.02% | 14,252.25 | 7.04% | 15,255.76 |
| Interest - Bearing Liabilities (year-end) | 11,245.73 | 13.11% | 12,719.55 | 4.37% | 13,275.60 | 6.11% | 14,086.11 | 3.75% | 14,614.34 |
| As % of Total Assets | 90.54% | | 86.01% | | 85.50% | | 84.00% | | 83.00% |
| Average Interest - Bearing Liabilities | | n/a | 11,982.64 | 8.47% | 12,997.57 | 5.26% | 13,680.86 | 4.89% | 14,350.23 |
| Deposits | 7,346.28 | 3.36% | 7,592.80 | 4.91% | 7,965.36 | 6.11% | 8,451.67 | 3.75% | 8,768.61 |
| As % of Interest Bearing Liabilities | 65.33% | | 59.69% | | 60.00% | | 60.00% | | 60.00% |
| Deposits incl. Repos | 9,766.76 | 2.96% | 10,055.40 | 5.62% | 10,620.48 | 6.11% | 11,268.89 | 3.75% | 11,691.47 |
| As % of Interest Bearing Liabilities | 86.85% | | 79.05% | | 80.00% | | 80.00% | | 80.00% |
| Loans | 6,316.76 | 38.46% | 8,746.07 | 4.67% | 9,154.73 | 8.61% | 9,943.29 | 5.59% | 10,499.44 |
| As % of Interest Earning Assets | 60.51% | | 67.43% | | 67.00% | | 67.00% | | 67.00% |
| Bonds | 2,925.91 | 20.22% | 3,517.39 | 8.77% | 3,825.86 | 8.61% | 4,155.40 | 5.59% | 4,387.82 |
| As % of Interest Earning Assets | 28.03% | | 27.12% | | 28.00% | | 28.00% | | 28.00% |
| Participations | 261.68 | 30.10% | 340.44 | 14.02% | 388.18 | 8.00% | 419.23 | 5.00% | 440.19 |
| As % of Total Assets | 2.11% | | 2.30% | | 2.50% | | 2.50% | | 2.50% |
| Equity (Tier I) | 740.62 | -9.34% | 671.44 | 3.60% | 695.63 | 4.33% | 725.72 | 5.01% | 762.10 |
| Equity (incl. Minorities) | 844.43 | 65.52% | 1,397.74 | 5.00% | 1,467.62 | 5.00% | 1,541.00 | 5.00% | 1,618.05 |

Source: Bank accounts and "VRS" forecasts.

PIRAEUS BANK, Financial Ratios
Valuation Model by "VRS"

Consolidated Financial Statements, Greek GAAP

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---------|---------|---------|---------|---------|
| Net Interest Margin | 2.20% | 2.48% | 2.64% | 2.66% | 2.68% |
| Net Interest Margin (as % of avg assets) | n/c | 2.01% | 2.42% | 2.54% | 2.60% |
| Net Interest Income / Total Income | 55.85% | 70.99% | 73.32% | 73.21% | 71.98% |
| Total Costs / Total Income | 66.40% | 69.81% | 66.69% | 63.39% | 61.06% |
| Total Costs / Total Income (excluding trading income) | 85.55% | 72.69% | 68.31% | 65.17% | 63.06% |
| Total Costs / Avg. Assets | n/c | 2.65% | 2.46% | 2.39% | 2.33% |
| Operating Burden (in EUR mil.) | -109.08 | -210.83 | -223.94 | -223.16 | -216.35 |
| Burden (as % of avg assets) | n/c | -1.55% | -1.48% | -1.38% | -1.26% |
| Burden excl. Trading Income (in EUR mil.) | -218.78 | -231.30 | -237.25 | -239.79 | -237.14 |
| Burden excl. Trading Income (as % of avg assets) | n/c | -1.70% | -1.57% | -1.48% | -1.38% |
| Loan Loss Provisions / Avg. Loans | n/c | 0.94% | 1.00% | 1.00% | 1.00% |
| Loan Loss Provisions / Avg. Assets | n/c | 0.52% | 0.48% | 0.49% | 0.50% |
| Tax Rate | 34.94% | 29.76% | 29.00% | 29.00% | 29.00% |
| Dividend Payout | 75.69% | 63.13% | 65.00% | 65.00% | 65.00% |
| ROE | 8.05% | 9.86% | 9.94% | 11.85% | 13.64% |
| ROE average | n/c | 9.38% | 10.11% | 12.10% | 13.97% |
| ROA | 0.48% | 0.45% | 0.45% | 0.51% | 0.59% |
| ROA average | n/c | 0.49% | 0.46% | 0.53% | 0.60% |

Source: Bank accounts and "VRS" forecasts.

PIRAEUS BANK, Balance Sheet Ratios**Valuation Model by "VRS"**

Consolidated Financial Statements, Greek GAAP

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|-------------|-------------|-------------|-------------|-------------|
| Equity / Loans | 11.72% | 7.68% | 7.60% | 7.30% | 7.26% |
| Loans / Assets | 50.86% | 59.14% | 58.96% | 59.30% | 59.63% |
| Deposits / Assets | 59.15% | 51.35% | 51.30% | 50.40% | 49.80% |
| Equity (Tier I) / Assets | 5.96% | 4.54% | 4.48% | 4.33% | 4.33% |
| Loans / Deposits | 85.99% | 115.19% | 114.93% | 117.65% | 119.74% |
| Solvency Ratio or BIS Ratio (based on internal data) | n/a | n/a | n/a | n/a | n/a |

Source: Bank accounts and "VRS" forecasts.

| PIRAEUS BANK, Per Share Data | Valuation Model by "VRS" | | | | | | | | |
|---|---------------------------------|----------|-------------|----------|-------------|----------|-------------|----------|-------------|
| Consolidated Financial Statements, Greek GAAP | 2001 | % | 2002 | % | 2003 | % | 2004 | % | 2005 |
| Shares Outstanding (in million) | 167.16 | | 167.16 | | 167.16 | | 167.16 | | 167.16 |
| Shares Outstanding (in million, time adjusted) | 167.16 | | 167.16 | | 167.16 | | 167.16 | | 167.16 |
| Shares Outstanding (in million, fully diluted) | 167.16 | | 167.16 | | 167.16 | | 167.16 | | 167.16 |
| EPS (time adjusted) (in EUR) | 0.36 | 11.03% | 0.40 | 4.40% | 0.41 | 24.41% | 0.51 | 20.88% | 0.62 |
| EPS (fully diluted) (in EUR) | 0.36 | 11.03% | 0.40 | 4.40% | 0.41 | 24.41% | 0.51 | 20.88% | 0.62 |
| Operating Revenue EPS (fully diluted) (in EUR) | 2.93 | 5.43% | 3.09 | 8.31% | 3.35 | 8.94% | 3.65 | 7.40% | 3.92 |
| Operating Profit (Pre-Provision) EPS (fully diluted) (in EUR) | 0.99 | -5.25% | 0.93 | 19.51% | 1.12 | 19.73% | 1.34 | 14.23% | 1.53 |
| Non - Interest Operating Profit (fully diluted) (in EUR) | -0.65 | 93.27% | -1.26 | 6.22% | -1.34 | -0.35% | -1.34 | -3.05% | -1.29 |
| Book Value (Tier I) - Time Adjusted (in EUR) | 4.43 | -9.34% | 4.02 | 3.60% | 4.16 | 4.33% | 4.34 | 5.01% | 4.56 |
| Book Value (incl. Minorities) - Time Adjusted (in EUR) | 5.05 | 65.52% | 8.36 | 5.00% | 8.78 | 5.00% | 9.22 | 5.00% | 9.68 |
| Book Value (Tier I) - Fully Diluted (in EUR) | 4.43 | -9.34% | 4.02 | 3.60% | 4.16 | 4.33% | 4.34 | 5.01% | 4.56 |
| Book Value (incl. Minorities) - Fully Diluted (in EUR) | 5.05 | 65.52% | 8.36 | 5.00% | 8.78 | 5.00% | 9.22 | 5.00% | 9.68 |
| Book Value Adjusted for Capital Gains (in EUR) | n/a | | n/a | | n/a | | n/a | | n/a |
| Dividend (actual) (in EUR) | 0.27 | -7.41% | 0.25 | 7.50% | 0.27 | 24.41% | 0.33 | 20.88% | 0.40 |
| Dividend (adjusted) (in EUR) | 0.27 | -7.41% | 0.25 | 8.00% | 0.27 | 22.22% | 0.33 | 21.21% | 0.40 |
| Share Price (in EUR) | | | | | 5.80 | | | | |
| Market Capitalization (in EUR mn) | | | | | 969.51 | | | | |

Source: Bank accounts and "VRS" forecasts.

PIRAEUS BANK, Valuation Ratios**Valuation Model by "VRS"**

| Consolidated Financial Statements, Greek GAAP | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|-------|--------|-------|--------|--------|
| EPS growth (time adjusted) | n/c | 11.03% | 4.40% | 24.41% | 20.88% |
| EPS growth (fully diluted) | n/c | 11.03% | 4.40% | 24.41% | 20.88% |
| Non - Int. Oper. Profit Growth (fully diluted) | n/c | 93.27% | 6.22% | -0.35% | -3.05% |
| P/E Ratio (time adjusted) | 16.26 | 14.65 | 14.03 | 11.28 | 9.33 |
| P/E Ratio (fully diluted) | 16.26 | 14.65 | 14.03 | 11.28 | 9.33 |
| Price / Operating Profit Ratio (fully diluted) | 5.89 | 6.21 | 5.20 | 4.34 | 3.80 |
| P/BV (Tier I) (time adjusted) | 1.31 | 1.44 | 1.39 | 1.34 | 1.27 |
| P/BV (Tier I) (fully diluted) | 1.31 | 1.44 | 1.39 | 1.34 | 1.27 |
| Dividend Yield | 4.66% | 4.31% | 4.66% | 5.69% | 6.90% |

PIRAEUS BANK, Profitability Ratios**Valuation Model by "VRS"**

| Consolidated Financial Statements, Greek GAAP | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|------|-------|--------|--------|--------|
| ROA, Average | n/c | 0.49% | 0.46% | 0.53% | 0.60% |
| ROE, Average | n/c | 9.38% | 10.11% | 12.10% | 13.97% |
| Return on Avg. Interest Earning Assets | n/c | 6.74% | 6.40% | 6.30% | 6.10% |
| Cost of Avg. Interest Bearing Liabilities | n/c | 3.52% | 3.40% | 3.30% | 3.20% |
| Yield Spread | n/c | 3.22% | 3.00% | 3.00% | 2.90% |

Source: Bank accounts and "VRS" forecasts.

PIRAEUS BANK, Loan Quality
Valuation Model by "VRS"

| Consolidated Financial Statements, Greek GAAP | 2001 | | 2002 | | 2003 | | 2004 | | 2005 | |
|---|--------|---------|--------|--------|--------|--------|--------|--------|--------|--|
| Non-Performing Loans (NPLs) / Total Loans | 2.00% | | 3.00% | | 3.75% | | 3.75% | | 3.50% | |
| Bad Debts / Total Loans | 2.03% | | 3.71% | | 4.25% | | 4.31% | | 4.49% | |
| Loan Loss Provisions / Total Loans | 1.01% | | 0.81% | | 0.80% | | 0.79% | | 0.81% | |
| Coverage Ratio (Provisions / NPLS) | 50.36% | | 26.93% | | 21.26% | | 21.19% | | 23.27% | |
| Loan Loss Provisions / Bad Debts | 49.59% | | 21.77% | | 18.74% | | 18.44% | | 18.14% | |
| Total NPLs / Loans | 2.00% | | 3.00% | | 3.75% | | 3.75% | | 3.50% | |
| Total NPLs (in EUR mil.) | 126.34 | 107.69% | 262.38 | 30.84% | 343.30 | 8.61% | 372.87 | -1.45% | 367.48 | |
| Bad Debts (in EUR mil.) | 128.31 | 152.94% | 324.54 | 20.00% | 389.45 | 10.00% | 428.39 | 10.00% | 471.23 | |
| Loan Loss Provisions (in EUR mil.) | 63.62 | 11.04% | 70.65 | 3.33% | 73.00 | 8.22% | 79.00 | 8.23% | 85.50 | |

PIRAEUS BANK, Productivity (in EUR mn)
Valuation Model by "VRS"

| Consolidated Financial Statements, Greek GAAP | 2001 | | 2002 | | 2003 | | 2004 | | 2005 | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| Deposits / Branch | 34.33 | | 31.51 | | 30.60 | | 30.35 | | 29.70 | |
| Loans / Branch | 29.52 | | 36.29 | | 35.17 | | 35.70 | | 35.57 | |
| Deposits / Employee | 1.71 | | 1.60 | | 1.60 | | 1.63 | | 1.64 | |
| Loans / Employee | 1.47 | | 1.84 | | 1.84 | | 1.92 | | 1.96 | |
| Personnel Expenses / Employee | 0.03 | | 0.04 | | 0.03 | | 0.03 | | 0.03 | |
| Earnings / Branch | 0.28 | | 0.27 | | 0.27 | | 0.31 | | 0.35 | |
| Earnings / Employee | 0.01 | | 0.01 | | 0.01 | | 0.02 | | 0.02 | |
| Operating Expenses / Total Operating Income | 66.40% | | 69.81% | | 66.69% | | 63.39% | | 61.06% | |
| Branches | 214 | 12.62% | 241 | 8.00% | 260 | 7.00% | 278 | 6.00% | 295 | |
| Employees | 4,302 | 10.25% | 4,743 | 5.00% | 4,980 | 4.00% | 5,179 | 3.50% | 5,361 | |
| Employees / Branch | 20.10 | | 19.68 | | 19.13 | | 18.60 | | 18.16 | |
| ATMs | 285 | 17.54% | 335 | 15.00% | 385 | 15.00% | 443 | 12.50% | 498 | |

Source: Bank accounts and "VRS" forecasts.

PIRAEUS BANK, Operating Income Breakdown (%)

Valuation Model by "VRS"

| Consolidated Financial Statements, Greek GAAP | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|----------------|----------------|----------------|----------------|----------------|
| Net Interest Income | 55.85% | 70.99% | 73.32% | 73.21% | 71.98% |
| Fee & Commission Income | 18.18% | 17.21% | 16.68% | 16.62% | 17.41% |
| Trading Income | 22.38% | 3.96% | 2.38% | 2.73% | 3.17% |
| Income from Securities | 2.54% | 3.63% | 3.52% | 3.44% | 3.42% |
| Other Operating Income | 1.06% | 4.21% | 4.10% | 4.01% | 4.02% |
| Total Operating Income | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

PIRAEUS BANK, Operating Cost Breakdown (%)

Valuation Model by "VRS"

| Consolidated Financial Statements, Greek GAAP | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|----------------|----------------|----------------|----------------|----------------|
| Personnel Expenses | 44.34% | 46.58% | 46.14% | 45.67% | 45.26% |
| G & A Expenses | 39.72% | 35.77% | 35.26% | 34.74% | 34.08% |
| Depreciation | 15.10% | 15.51% | 16.49% | 17.51% | 18.62% |
| Other Operating Expenses | 0.84% | 2.14% | 2.11% | 2.08% | 2.04% |
| Operating Expenses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Source: Bank accounts and "VRS" forecasts.

| | | | | |
|----------------------------------|---------------|---------------|--------------|--------------|
| Risk Free | 4.70% | 4.70% | 4.70% | 4.70% |
| Expected Market Return | 11.00% | 11.00% | 11.00% | 11.00% |
| Market Risk Premium | 6.30% | 6.30% | 6.30% | 6.30% |
| Beta | 0.988 | 0.988 | 0.988 | 0.988 |
| Cost of Equity / Cost of Capital | 10.92% | 10.92% | 10.92% | 10.92% |
| Growth Rate (2001 - 2005 GAGR) | 14.90% | 14.90% | 14.90% | 14.90% |
| ROE average (2001 - 2002) | 8.96% | 8.96% | 8.96% | 8.96% |
| ROE sustainable | 7.90% | 8.30% | 8.60% | 9.00% |
| ROE - g | -7.00% | -6.60% | -6.30% | -5.90% |
| Cost of Equity - g | -3.98% | -3.98% | -3.98% | -3.98% |
| Implied P / BV | 1.76 | 1.66 | 1.58 | 1.48 |
| Current P / BV (fully diluted) | 1.44 | 1.44 | 1.44 | 1.44 |
| Implied Target Price | 7.07 | 6.67 | 6.36 | 5.96 |
| Current Share Price | 5.80 | 5.80 | 5.80 | 5.80 |
| Upside Potential | 21.92% | 14.95% | 9.73% | 2.76% |

| | 2001 | 2002 | 1st Projected Year 2003 | 2004 | 2005 | 2006 | 2007 | Dividend Growth Rate | Terminal Value End of Period |
|---|------|------|-------------------------------|--------|--------|--------|--------|-------------------------|---------------------------------|
| Dividend per Share (in EUR) | 0.27 | 0.25 | 0.27 | 0.33 | 0.40 | 0.42 | 0.45 | 5.00% | 7.98 |
| Required Return / Cost of Capital | | | 10.92% | 10.92% | 10.92% | 10.92% | 10.92% | | |
| Present Values (in EUR) | | | 0.2423 | 0.2717 | 0.2961 | 0.2774 | 0.2680 | | 4.75 |
| Implied Value per Share (Target Price) | | | | | | | | | 6.10 |
| Current Share Price | | | | | | | | | 5.80 |
| Upside Potential | | | | | | | | | 5.25% |