



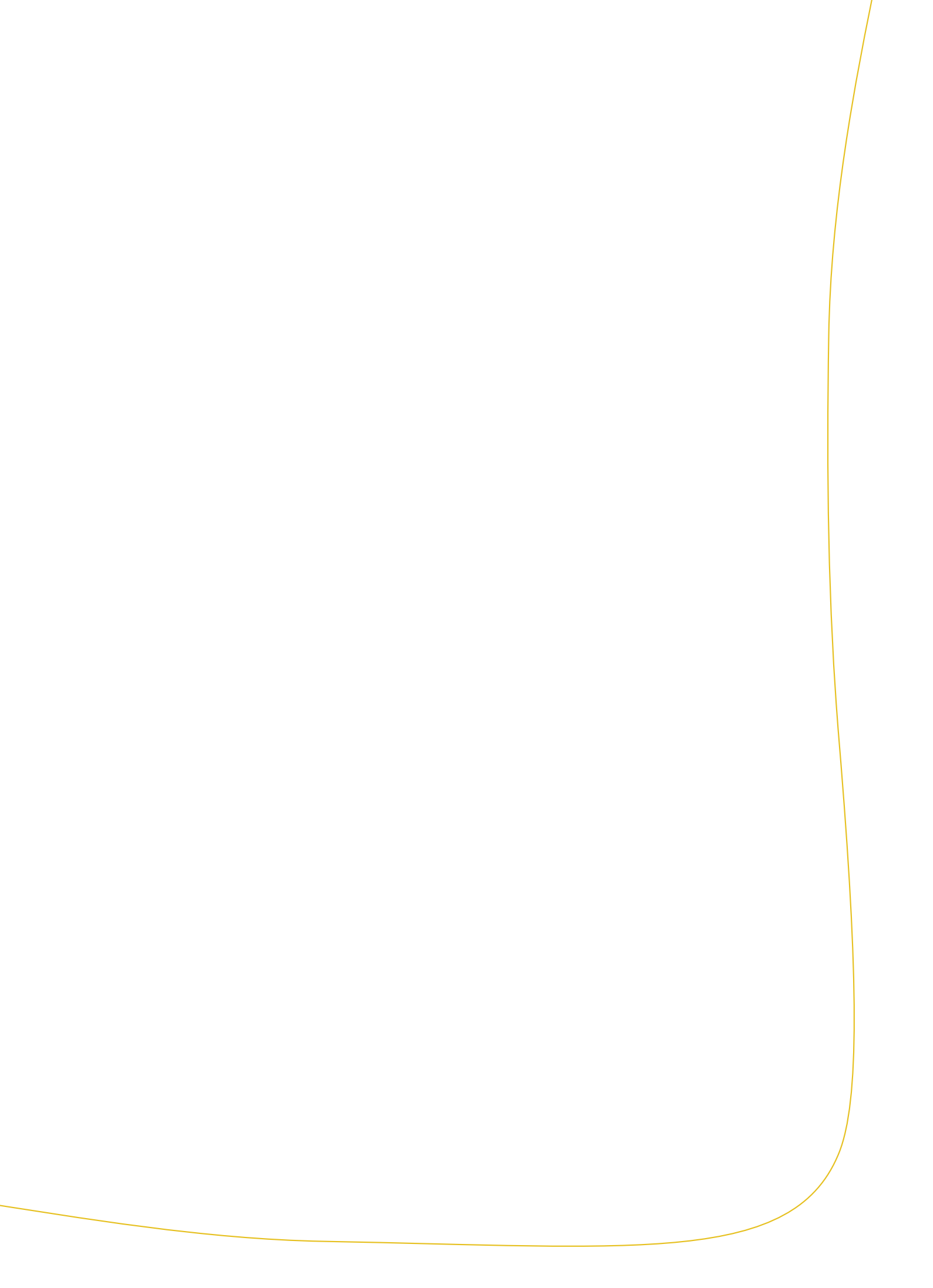
CORPORATE SOCIAL RESPONSIBILITY REPORT 2005



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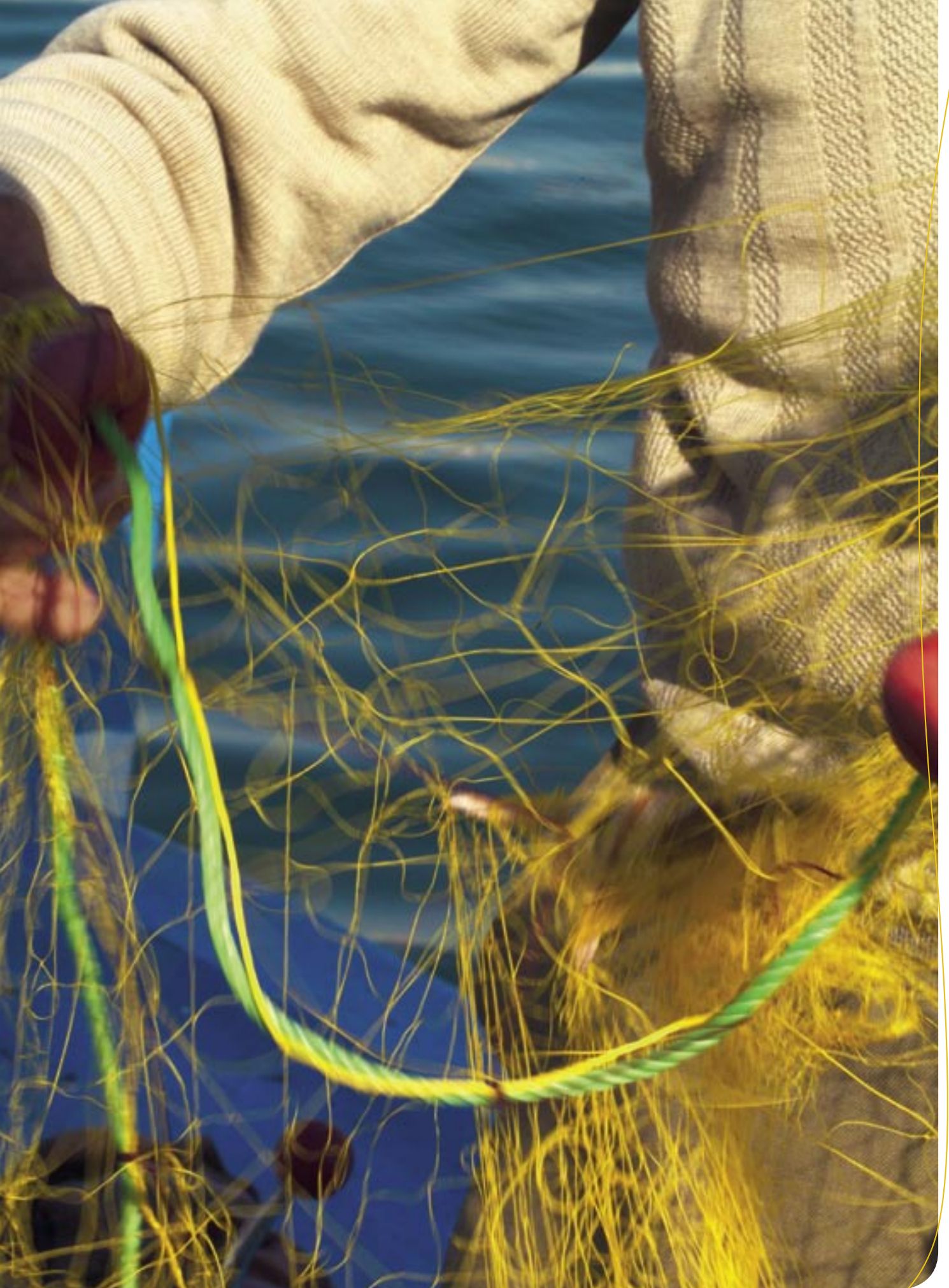
The photographic themes included in the “2005 Corporate Social Responsibility Report” are chosen from the special section of the environmental issues. The environmental activities that Piraeus Bank Group has undertaken in line with its dynamic growth, aim at a better administration of the conservation of natural environment and the constant training of human resources in order to assume the initiatives to protect environment

The “2005 Corporate Social Responsibility Report” was printed on non bleached paper



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Chairman's Note

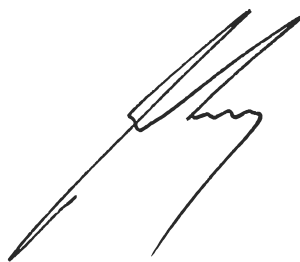
The robustness of businesses should be a pursuit infallibly linked with social prosperity and the elimination of inequalities which are inconsistent with the values of our culture or undermine economic progress.

Having this firm belief, Piraeus Bank has been applying an integrated policy on weaker social groups assistance, use of local cultural heritage and protection of the natural and urban landscape for many years. At the same time, the Bank promotes training and evaluation programmes which constantly improve the quality of the Group's labour and customer relations.

The enhancement of "corporate responsibility", vis-à-vis the society and the 8,000 employees of the Group, is the growth philosophy, success strategy and principal business culture of Piraeus Bank. It is a fundamental choice made to develop the business as an integral part of the society. Needless to say, that this choice is eventually rewarded by society itself.

Today, the clear-cut "corporate governance" structure and principles adopted by Piraeus Bank, aimed at safeguarding the shareholders' interests as well, the trust and accountability relations with our customers and suppliers, the establishment of equal opportunities and meritocracy for the development of human resources, the discrete support of major social initiatives, our dynamic environmental policy and abundant cultural work, make up our 2005 Social Report.

Corporate Social Responsibility is a strategic investment and a target equivalent to the ever important growth of operations and profitability of the Group. This means that not only is the 2005 CSR richer than that of 2004, but also that the outlook for 2006 is even better in this sector Group-wide.



Michalis Sallas

The Vision of Piraeus Bank Group

The vision of Piraeus Bank Group is to establish a strong financial organisation that will play a major part in the broader geographic regions of South-eastern Europe and Eastern Mediterranean, satisfying its customers, having loyal and competent employees and delivering high performances to its shareholders, in excess of the banking market average.

The Group's dynamism is based on its consistent actions. Piraeus Bank places special emphasis on the strategy defining its course in the broader socioeconomic environment.

Its immediate target is to satisfy its customers in terms of quality, completeness and variety of delivered services and products, thus ensuring a competitive edge in a constantly changing environment and fulfilling the expectations of its shareholders and workforce.

The progress and development of Piraeus Bank Group are founded on our Values which are as follows:

- **Customer Focus**, thanks to the ongoing efforts to develop mutually beneficial customer relationships;
- **High Service Quality**;
- **Creative Search for Innovative Solutions**;
- **Design of Competitive Solutions** adding value to our customers;
- **Ensuring the Prosperity and Life-long Development** of employees, with a diffuse team, spirit and personality respect;
- **Protection of the Bank against all Types of Risks**, caring for compliance with the established laws and procedures;
- **Ongoing Pursuit of Increase of Shareholders' Value** and
- **Social Contribution**, with consistency vis-à-vis the environment, culture, people in need of assistance and local communities in general.

Principles of Corporate Social Responsibility

The emergence of new conditions in the international economic relations has also affected the social relations world-wide. In order to be competitive in this new reality, one has to assume responsibility towards society through programmes and actions intended to strengthen social development, offering better working conditions and ensuring larger social cohesion.

Piraeus Bank not only complies with the obligations imposed by law, but also takes initiatives for actions and activities over and above such obligations, which are related to its employees, associates, suppliers, shareholders and customers, as well as the communities in which it operates and the society at large.

Designing and implementing social responsibility projects and committing itself voluntarily to exceeding the obligations imposed by law, the Bank strives to raise its standards for social development, cultural heritage promotion and safeguarding, environmental protection and respect for fundamental rights. It embraces an open Corporate Governance, harmonising the interests of the various stakeholders in a single quality and sustainability approach.

The benefits from the implementation of such projects are both direct and indirect. Direct benefits include enhanced working environment, personnel loyalty and improved productivity, active involvement of the employees in issues pertaining to the communities where they are active, competitive edges over competition etc. Indirect benefits include reinforced interest of customers and investors in the Bank, which increases business opportunities, good reputation, positive response on behalf of consumers to its trade name, as well as the inclusion in securities and banking indices whereby companies are rated on the basis of their activities regarding corporate social responsibility issues.

In 2005 Piraeus Bank continued to act voluntarily according to the principles of the UN Global Compact, assuming the initiative to support and promote such principles within the scope of its activities. The Compact encompasses ten fundamental principles pertaining to:

- human rights;
- employment rights;
- environmental protection and
- combat against corruption.



Paper recycling: Protection of forests and reduction of energy consumption

Corporate Governance

Guided by its desire to strengthen its value and defend corporate interests, Piraeus Bank makes sure that its operation is constantly adjusted to the effective institutional framework of corporate governance.

Specifically, the General Division of Corporate Governance was set up in 2005; it is responsible for the development of Corporate Governance actions and programmes approved by the Management, and the supervision of their application throughout the Bank and all the Group companies both in Greece and abroad. It also supervises the operating support to the Board of Directors(BoD), Executive Committee and Chairman's Office applying Corporate Governance best practices.

At the same time, Piraeus Bank:

- has "Internal Operating Regulations", which ensure transparency and symmetrical information and encompass issues not stipulated in the Bank's Articles of Association but indispensable for its smooth operation, as well as a "Code of Conduct";
- has a structured internal audit system with instituted responsibilities, made up of the Audit Committee and the internal audit unit (Internal Audit Division), which are independent and report directly to the Senior Management of the Bank;
- has properly adjusted the constitution of the Board of Directors in order to be compliant with the effective regulations on executive and non-executive directors;
- has a Group Compliance Unit instituting and applying proper procedures and performing the relevant annual Group Compliance Programme, in order to ensure timely and permanent compliance of the Bank and Group with the effective regulatory framework and have a complete picture of the target achievement rate at all times. It also guarantees that the Bank and Group are compliant with the regulatory framework on the prevention of the use of the banking system for money laundering and terrorism;
- has organized Investor Relations, Shareholder Registry and Corporate Announcements services, entrusted with the task to inform investors, shareholders and competent supervisory authorities, respectively.

A. Supreme Management Bodies\

The General Meeting of shareholders is the supreme body of Piraeus Bank. The BoD is made up of fifteen (15) members, out of which four (4) have executive and eleven (11) non-executive duties. Three (3) of the non-executive directors are also independent, according to the law.

Board of Directors

Executive Board Members

Michalis G. Sallas, Chairman & Managing Director
Michalis H. Colakides, Vice-Chairman & Deputy Managing Director
Theodoros N. Pantalakis, Vice-Chairman & Deputy Managing Director
Stavros M. Lekkakos, General Manager

Non-executive Vice-Chairmen

Konstantinos P. Angelopoulos, Economist - Businessman
Ioannis V. Vardinoyiannis, Businessman

Non-Executive Board Members

Iakovos G. Georganas, Financial Advisor

Georgios P. Alexandridis, Economist, Member of the BoD of Motor Oil SA, Member of the Audit Committee (*)
Eftichios Th. Vassilakis, Economist, Vice-Chairman of Autohellas S.A., Vassilakis Group
Michalis D. Gigilinis, Shipowner
Stylianos D. Golemis, Economist, Chairman of Goldair Group of companies
Nicolaios I. Zografos, Economist, Chairman of the Audit Committee (*)
Lambros E. Kotsiris, Professor, President of the Legal Council
Demetrios Th. Symeonidis, Businessman (*)
Vassilios S. Fourlis, Businessman, Chairman & Managing Director of Fourlis Holdings S.A.
(*) Independent non-executive Board member

B. Main Committees

For the purpose of more effective and secure operation of the Bank, the Board of Directors has entrusted the following main committees with special issues and specific responsibilities:

- Audit Committee: it is made up of three members; it is chaired by a non-executive independent Board member and includes another non-executive independent Board member and a management executive of the Bank. The Committee meets at least four times per year.
- Compensation Committee for Executive Management Members, it is made up of three (3) non-executive Board members.

Similarly, the Management has set up the following main committees:

- Executive Committee: it is made up of eight members, chaired by the Bank's Chairman & Managing Director and includes the two (2) Vice-Chairmen & Deputy Managing Directors and five (5) General Managers. The committee meets at least once a week.
- Assets and Liabilities Committee (ALCO): it is made up of eleven members; it is chaired by the Bank's Chairman & Managing Director and includes the two (2) Vice-Chairmen & Deputy Managing Directors, two (2) General Managers, one (1) Deputy General Manager, one (1) Management Advisor and four (4) Heads of Divisions of the Bank. The committee meets at least once per month.

The Executive Committee is the main body for the coordination of Piraeus Bank Group operations for the purpose of enhancing its efficiency and productivity. Apart from supervising the implementation of the Budget and Action Plan, the Committee decides on the priority of major new projects and changes deemed necessary. At the same time, it analyses and decides on issues of strategic choices and, where required, makes recommendations to the Bank's Board of Directors. The same Committee is also competent to approve credits of all forms and types up to the set limits, beyond which the relevant requests are approved by the Bank's Board of Directors.

The scope of the Assets and Liabilities Committee is to define the Group's strategy in the assets and liabilities development, depending on the current qualitative and quantitative data and developments in the business environment, and take such decisions as to maintain acceptable risk and liquidity levels. It is also responsible to manage the assets and liabilities applying a pricing policy on products and services at the same time.

C. Piraeus Group Management

Top Management

Michalis Sallas, Chairman & Managing Director (*)

Michalis Colakides, Vice-Chairman & Deputy Managing Director (*)

Theodoros Pantalakis, Vice-Chairman & Deputy Managing Director (*)

General Managers

Christodoulos Antoniadis, Northern Greece Branch Network (*)

Ioannis Vigopoulos, Attica Branch Network

Konstantinos Georgiou, Human Resources & Logistics

Vassiliki Campbell, Investment & Corporate Banking (*)

Stavros Lekkakos, Participations & Portfolio Restructuring (*)

Triantafyllos Lyssimachou, Insurance Services

Ilias Milis, International Banking (*)

Spyros Papaspyrou, Retail Banking (*)

Ioannis Sgourovassilakis, Operations & IT

Deputy General Managers

Ioannis Kyriakopoulos, International Banking Division

Georgios Liakopoulos, Corporate Governance

Ioannis Papadopoulos, Southern Greece & Islands Branch Network

Management Advisors

Chariclia Apalagaki, Legal Advisor

Iakovos Georganas, Financial Advisor

Dimitris Kounelakis, Marketing

Georgios Mylonas, Treasury, Risk Management, Asset Management

Stylianios Niotis, Shipping

Dimitris Papademetriou, Tax

Sophia Staikou, President of Cultural Foundation & Responsible for Corporate Social Responsibility

Sophocles Fragos, Group Business Planning & Development

Heads of Main Greek Subsidiaries

Diagonios SA, Georgios Sortikos, Vice-Chairman & Managing Director

ETBA Industrial Areas SA, Panagiotis Giannopoulos, Chairman, Nicolaos Stamos, Commissioned Advisor

Exodus SA, Georgios Konstandinidis, Managing Director

Multicollection SA, Andreas Patsis, Executive Vice-Chairman

Piraeus Real Estate Investment Company SA, Heracles Chortarias, Vice-Chairman & Managing Director

Piraeus Leasing SA, Ioannis Mavrelou, Managing Director

Piraeus Best Leasing SA, Ioannis Mavrelou, Managing Director

Piraeus Securities SA, Alexandros Devletoglou, Vice-Chairman & Managing Director

Piraeus Insurance & Reinsurance Brokerage SA, Ioannis Gotsis, Vice-Chairman & Managing Director

Piraeus Multifin SA, Georgios Dracos, Managing Director

Piraeus Factoring SA, Emmanuel Protopappas, General Director

Piraeus Direct Services SA, Sotirios Syrmakizis, Commissioned Advisor

Picar SA, Sophia Staikou, Chairman

Heads of Foreign Subsidiaries

Piraeus Eurobank AD (Bulgaria), Athanassios Koutsopoulos

Piraeus Atlas Bank AD (Serbia), Branimir Markovic
Piraeus Bank Romania SA (Romania), Stavros Lekkakos
Piraeus Bank Egypt SAE (Egypt), Gamal Moharam
Marathon Bank (USA), Paul Stathoulopoulos
Tirana Bank IBC (Albania), Dimitris Fraggetis
(* members of the Executive Committee)

D. Internal Audit System

Piraeus Bank Group makes sure that the Internal Audit System (IAS) is constantly developed and upgraded so as to protect its assets and safeguard the interests of shareholders. The IAS is a set of auditing mechanisms and procedures constantly covering every single activity and helping in the effective and secure operation of the Bank. The IAS applies to all the units of the Group in Greece and abroad, meeting the organizational and operational conditions for efficient operation. The IAS aims at effectively managing any risks that might threaten the Bank, and not eliminating them, necessarily. The responsibility of observing the IAS lies with the following:

- Audit Committee, and
- Internal Audit Division

The Board members assess the adequacy and effectiveness of the system annually, and design the strategy for its improvement by submitting a relevant report to the Bank Management along with any remarks thereon made by the Audit Committee. This report and the relevant minutes of the BoD are submitted to the Bank of Greece. Moreover, the Board of Directors is briefed quarterly by the Audit Committee on the audits performed by the Internal Audit Division, and the head of the unit is always present at the General Meetings of Shareholders.

Audit Committee

The Audit Committee is elected by the Bank's Board of Directors for the purposes of auditing the financial statements and ensuring the proper operation of the Bank's internal audit system. The Committee is made up of three members, the majority of whom are non executive members of the BoD, with a three-year mandate. The main competencies of the Committee are:

- to evaluate the adequacy and effectiveness of the Internal Audit System and monitor the work of the Internal Audit Division,
- to give an opinion upon selection of External Auditors;
- to reassure the BoD that the Bank observes the procedures ensuring compliance with the laws and regulations governing its operation;
- to review, independently of the involved units, the annual and interim financial statements and other significant data and information to be announced or submitted to authorities or organisations;
- to formulate opinions and observations on the content of the Internal Audit Division Report on the assessment of the credit portfolio quality (adequacy of credit procedures, estimate of potential default, adequacy of provisions, etc.).

Internal Audit Division

The Internal Audit Division, reporting directly to the Chairman of the BoD, is an independent unit in on-going contact with the Audit Committee, which is responsible for the implementa-

tion of a contemporary and effective internal audit system. Among others, the competencies of the Internal Audit Division are:

- to regularly review the efficiency and effectiveness of the internal audit system and constantly provide the top management bodies of the Bank with valid information on the status and progress of the auditing procedures;
- to perform regular or special audits of all the operations and transactions of the Bank, to establish strict observance of all kinds of regulations, operation procedures and pre-emptive audit mechanisms that have been instituted, as well as compliance with the institutional framework governing the Bank's operation;
- to evaluate the effectiveness of the Bank's software and IT systems, monitor systematically the appropriate application of the chart of accounts and data collection, processing, management and safe keeping rules, and verify the validity of accounted data and produced statements;
- to monitor and supervise the Group's subsidiary companies;
- to submit recommendation to the Audit Committee regarding issues such as annual audit plans and reports, evaluation of findings and corrective actions, fulfilment of internal audit needs, reports to the Board of Directors and supervisory authorities of independent auditors' reports and
- to co-operate with the independent auditors (chartered auditors, inspectors of the Bank of Greece) and approve the provision of information during audits.

It is worth noting that the Bank installed and has operated since the beginning of 2005 the Fraud Detection Tool. It is an electronic system automatically detecting "suspicious transactions" which, apart from the minimum "transactions to be reviewed with special care" set by the Bank of Greece, reviews and reports 40 more cases as potentially "suspicious transactions". The aim is to ensure the Bank's compliance with the effective provisions on money laundering.

The Internal Audit Division is under the supervision of the General Inspector, who is appointed by the BoD and reports to the Chairman of the BoD and the Audit Committee, regarding the implementation of the Law 3016/2002 on corporate governance and is an adequately qualified and experienced person.

In the beginning of 2005 the Internal Audit Division was certified by EFQM as "Committed to Excellence"; it is stressed that it is the first time an internal audit unit is certified by EFQM in this category in Europe.

E. Group Compliance Unit

The Group Compliance Unit submits annual reports to the Management and the BoD in order to inform them about any identified major violations of the effective regulatory framework or major deficiencies in the observation of the obligations imposed thereby. In the event of amendments to the effective regulatory framework, the Unit provides, with the aid of the Legal Affairs and Corporate Governance Divisions or local legal advisors to the subsidiaries abroad, guidelines for the proper adjustment of the internal regulatory framework and procedures applied by the units of Piraeus Bank, as well as the branches abroad and local and foreign subsidiaries.

Moreover, it makes sure that deadlines for obligations stipulated in the effective regulatory framework are met, via appropriate procedures, and reassures the BoD via written annual reports to this end.

The Unit coordinates the work of the people responsible for regulatory compliance in the Bank's branches abroad and other affiliated companies in Greece and abroad, so that all the Group companies are fully compliant with the current applicable provisions and Law 2656/1998 on bribery of foreign public servants in international business deals.

Finally, the Bank has a Code of Conduct applicable to all the staff thereof and its subsidiaries, for the purpose of transparency and confidentiality regarding any act, transaction and customer relationship. The Code of Conduct encompasses issues such as non-disclosure of confidential information, the rules governing staff transactions, observance of provisions on money laundering prevention, principles of behaviour, assignment of rights to intangible goods, etc.

F. External Auditors

According to the resolution of the General Meeting of Shareholders of Piraeus Bank made on 07.04.2005, Mr. Konstantinos Michalatos of PriceWaterhouseCoopers was appointed Regular certified auditor for the financial statements (stand-alone and consolidated) of Piraeus Bank in 2005.

It is noted that the certified auditors are elected by the General Meeting of Shareholders annually and the maximum mandate may be four (4) years.

G. Transparency and Communication Investor Relations

Informing the investors is the responsibility of the Investor Relations Unit, which provides systematic and symmetrical information on the progress of Piraeus Bank and the Group. In more detail, investors are informed in the following manners:

- responses to queries of investors (mainly institutional) on the progress of the company on a daily basis;
- organisation of corporate road-shows and one-on-one meetings. In 2005 there were 114 meetings with institutional investors in Greece (66 of which were group meetings) and 166 meetings in 7 road-shows held in Europe and the USA (18 of which were group meetings);
- maintenance of the Bank's relevant website section including financial data, press releases, detailed results press releases, as well as anything else deemed necessary to deliver complete information to investors.

Shareholder Registry

The Shareholder Registry was set up according to the Capital Market Commission's Board resolution no. 5/204/14.11.2000 on the shareholders' service, and is responsible for the direct and equal information of all shareholders, as well as for helping them exercise their rights on basis of the law and the Bank's Articles of Association. Its competencies are:

- to deliver immediate, correct and equal service to all shareholders with regard to:
 - dividend distribution, acts of new share issues, allocation, subscription, disclaimer on conversion thereof, time limits within which rights should be exercised or changes in the initial time limits;
 - information about Ordinary and Extraordinary General Meetings and resolutions thereof;
 - acquisition of own shares and sale or cancellation thereof.

- to distribute the Annual Report to the shareholders at the Annual Ordinary General Meeting, according to the provisions, as well as all the published corporate publications in hard-copy or electronic form upon request. It is noted that in any case the Annual Bulletin is available to the investment community ten (10) business days prior to the Annual General Meeting of shareholders;
- to keep and update the Bank's shareholder Registry, according to effective legislation. To this end, the Shareholder Registry is responsible for all communications with the Central Securities Depository.

Corporate Announcements Service

The Corporate Announcements Service is responsible for all corporate announcements; it was set up according to the Capital Market Commission's Board resolution no. 5/204/14.11.2000, and is responsible for the Bank's compliance with the institutional framework of such resolution. Its competencies are:

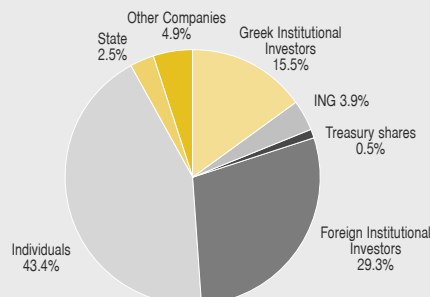
- to notify the competent authorities of the ATHEX and Capital Market Commission on any major business developments;
- to give prior advice of and communicate any major deals and other financial activities of the Board members, third parties acting as Board members, management executives and other insiders, after the accountable persons have announced them to the Bank's BoD, as provided herein.

The Bank's announcements are sent immediately to the Athens Stock Exchange, in order to be recorded in the Daily Official List and inform the investors.

H. Shareholding Composition

Piraeus Bank is well-diversified company, as regards to its shareholders. The shareholders' base presents a major diversity, consisting of eminent representatives of the business world, local and foreign institutional investors and individual investors. On 31 December 2005, the total number of shareholders reached 207,387; no individual shareholder (legal entity or physical person) held more than 5% of the Bank's total shares. At the end of 2005, 43.4% of total shares were held by individuals and the remaining 56.6% by legal entities.

Shareholding Structure of Piraeus Bank 31.12.05





Net production: Environmental protection and nutrition and food safety

Customers and Supplier Relations

In the context of customer information and transparency of transactions, the Bank observes the rules of Code of Banking Ethics, which pertain to the relations between banks and customers and are in accordance with the applicable legislation and transaction ethics.

All transactions with customers are governed by the spirit of mutual trust, and when executing transactions, the Bank shows due diligence, makes available at its premises information leaflets on the basic banking services offered and provides, when required, the necessary details in clear, simple and complete manner. Moreover, in the event of unilateral change in the terms and conditions governing the relationship with the customers, and should the Bank be entitled thereto, the latter informs them in the most appropriate manner collectively or individually, depending on the case. Customers will be given reasonable notice prior to any change, so as to be able to terminate in time their relationship if they so wish.

The promotion of banking products/services delivered by Piraeus Bank should be true, clearly specifying the proposed product/service, without exaggerations nor giving inaccurate or misleading information, nor excessive promotion or attempt to conceal the features of the offered products/ services or exploit the public's ignorance, inexperience or fears.

In this respect, Piraeus Bank has applied the "Voluntary Code of Conduct on Pre-contractual Information for Mortgage Loan Customers", as agreed by the European Consumer Associations and European Credit Sector Associations.

At the same time, the Bank, with a view to meeting the needs of disabled people, too, has improved the accesses to its new branches by installing special ramps and doors, where possible. It also included special signalling in a certain ATM type, so as to facilitate people with vision problems.

Piraeus Bank reviews systematically its customers' satisfaction rate with regard to services provided, by means of specifically designed surveys. The outcomes of the 2005 survey were very satisfactory showing a satisfaction rate in excess of 98% of the respondents. Additionally, the Bank occasionally uses "mystery shoppers", in order to cross check the standards of provided services.

It is noted that the customer complaint handling process was re-designed and fully automated in 2005, thus shortening significantly the customer service time.

Banking Ombudsman and Customer Service

In response to the institution of the Banking Ombudsman, the Bank has set up the Customer Service the tasks of which are to review and settle any grievances or complaints of Bank customers, and provide information and clarifications with respect to offered banking services. If the customer is not satisfied with the response of the Customer Service, he/she may contact the Banking Ombudsman in writing.

Written and oral complaints filed with the Bank's Customer Service pertained to the following:

- Loans 43%
- Cards 35%
- Deposits - Cashier Transactions 12%
- Investment products 4%
- General 6%

The ratio of Piraeus Bank cases to total Bank cases handled by the Banking Ombudsman in 2005 dropped to 4.3% versus 4.4% in 2004 for written complaints and to 4.0% versus 4.3% in 2004 for phone calls. Such rates are deemed low compared to the total market share of Piraeus Bank (11.6% in Greece), however further efforts will be made in order to further reduce them in the immediate future.

Supplier Relations

The Bank's supplier relations are governed by the principles of meritocratic selection and transparency in the contract terms. The Bank cooperates with suppliers who meet objective and measurable criteria, such as the ratio of performance and quality to price, reliability and market position. There are uniform procedures applied to all suppliers, who are regularly evaluated, so as to uphold relations with the most appropriate ones based on the progress of the cooperation.

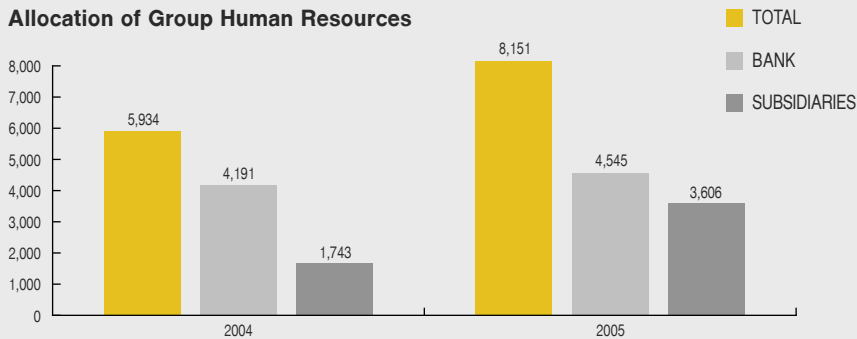
Human Resources

Group Human Resources Management

At the end of 2005, Piraeus Bank Group employed 8,151 people against 5,934 in 2004, recording a 37% rise.

The number of people employed with the Bank in 2005 rose to 4,545 from 4,191 in 2004, increasing by 8%; the staff of subsidiaries more than doubled increasing by 107%, from 1,743 in 2004 to 3,606 in 2005, as a result of organic growth and new acquisitions in 2005. This change in numbers indicates the successful growth strategy of the Group, both domestically and abroad.

Total Allocation of Group Human Resources



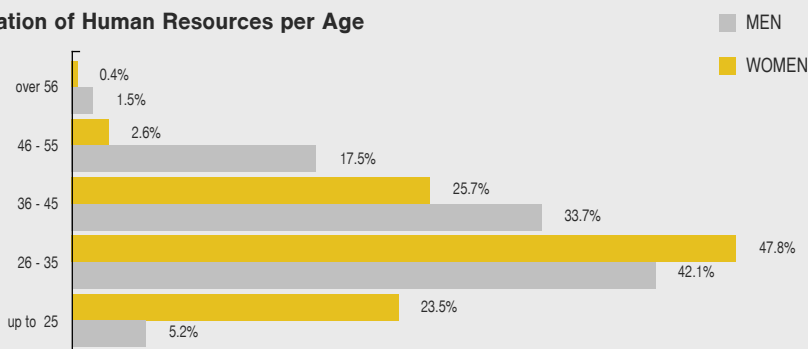
Allocation of Human Resources per Gender

In the context of the equal opportunities policy applied by Piraeus Bank Group, there is a balanced ratio of men and women. In fact, the female gender slightly outnumbers the male gender, with 51.7% women versus 48.3% men.

Allocation of Human Resources per Age

The average employee age in 2005 was 37.4 years versus 36.2 in 2004; the average age of managerial staff Group-wide was 43.5 years in 2005 versus 42.3 in 2004. Average ages per gender were 37.2 years for men and 34.6 for women. This age structure coupled with the high academic education standards of the staff provides Piraeus Bank Group with a competitive edge to meet the competition challenges.

Allocation of Human Resources per Age



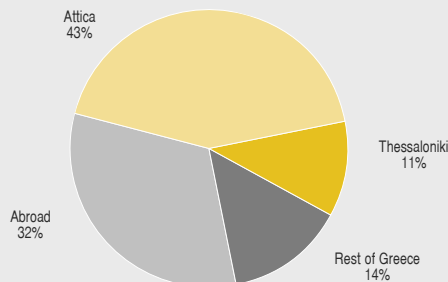
Allocation of Human Resources per Education Level

Piraeus Bank Group places special emphasis on the educational level and skills of its people. It has proved to be a crucial factor for effective quality management, improved business performances and introduction of required changes. Graduate, post-graduate and PhD degree holders outnumber significantly (53.1%) secondary education graduates (46.9%). It is worth noting that the rate of post-graduate degree holders employed with the Bank rose by 7.1% in 2005. This change corroborates the attraction of highly qualified people with expert knowledge and the importance that the Group attaches to its human resources as principal assets and high value-adding factor.

Allocation of Human Resources per Geographical Area

Out of the Group's total staff, 43% (3,465 people) are employed in Attica, 11% (881 people) in the area of Thessalonica, 1,172 people (14%) in the rest of Greece and 2,633 people (32%) abroad. It is worth noting that in the context of the strategy to grow in the developed and emerging markets internationally, human resources abroad rose by 234% in 2005 versus 2004.

Allocation of Human Resources per Geographical Area



Human Resources Turnover

The primary objective of Piraeus Bank Group is more effective internal organisation and better motivated staff who are professional, highly responsible, team-spirited and customer-oriented.

In 2005 there was a major increase in the number of people employed with Group subsidiaries, mainly due to the three new subsidiary banks (in Bulgaria, Serbia and Egypt). At the same time, 139 people retired from Piraeus Bank in the framework of the voluntary retirement scheme. The turnover ratio for Piraeus Bank was 2.25% in 2005.

Social Report

The social policy applied mainly aims at the increasing improvement of the well-being standards of the Group's staff. Such policy includes a series of additional provisions and benefits, such as full coverage of the group insurance scheme premiums (hospital-medical care, life insurance-accident and permanent total disability insurance), nursery school costs, rewarding scheme for employees' children who study in universities, technical education institutions at home and abroad, additional days of leave in case of child sickness or hospitalisation,

special one-off benefit for employees who have more than three children. All this is part of the overall empowerment and reward policy on human resources management.

Total staff expenses in 2005, amounted to €264.9 mn and are broken down as follows:

- Wages and salaries €184.0 mn
- Social insurance charges €38.5 mn
- Other charges €17.0 mn
- Retirement benefits €25.4 mn

Other charges include the cost of medical care, employees' insurance with death and permanent disability coverage (Group Insurance Scheme), executive staff preventive check-up, as well as expenses for nursery schools, gifts to the children of employees, employer's contributions other than insurance funds, etc.

In the framework of its staff loans policy and preferential pricing for the purpose of acquiring owned residence, mortgages totalling €3.1 mn were granted in 2005. On 31.12.2005 staff mortgage balance amounted to €45.5 mn.

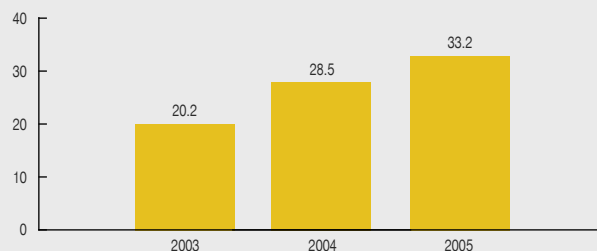
Training

In 2005, too, the primary objective of training activities was the convergence between actual and desired performance, so as to enhance productivity. Specifically, the competency of executive staff to provide financial advice and services meeting customer needs efficiently was reinforced. The aim was to strengthen Group products and services knowledge, as well as special technical knowledge, which forms the basis for the provision of integrated financial advice, so as to ensure continuity in delivering high standard customer service.

All in all 1,144 training courses were held in the Group's consolidated companies (in-house and external). Training courses accounted for 206,168 man-hours, increased by 68% compared to 2004.

The training man-hours distribution per individual in the Bank reached 33.2 and 63% of the staff participated in minimum one training course. It is worth noting that the classroom courses were evaluated by Piraeus Bank employees as "excellent" in average and attained a satisfaction rate of over 85%.

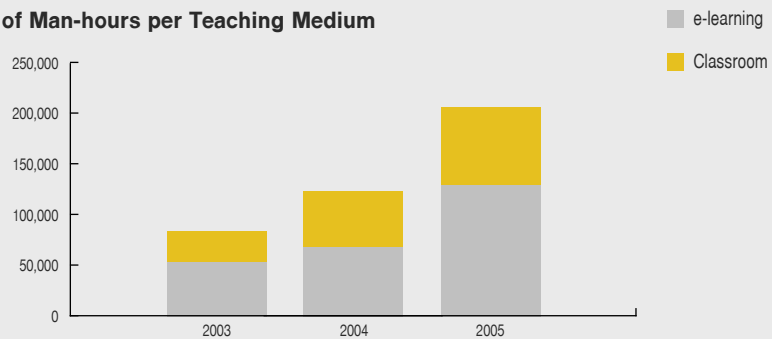
Training-Manhours per Person in Piraeus Bank



Out of the total man-hours at Group level, 32% was dedicated to the development of financial knowledge and 31% to product and service selling skills. 17% of the man-hours was dedicated to constant improvement of customer service quality, 10% to personal and management skills, 6% to enhancement of banking computer systems knowledge and, finally, 4% to development of specialized technical knowledge.

In 2005 not only was extensive use of e-learning continued, but also expanded to other Piraeus Group companies, delivering significant benefits to trainees, such as immediate satisfaction of training needs, training time flexibility, Internet-based training, and personalized training attendance rate.

Allocation of Man-hours per Teaching Medium



Participation in e-learning courses within Piraeus Bank numbered 4,558 in 2005, accounting for 37% of total training man-hours in the Piraeus Group.

Moreover, it should be noted that the implementation of integrated “Schools” was pursued in 2005, too. Currently, there are five such “Schools” in operation aiming at distinct roles and experience levels.

Additionally, Piraeus Bank Group also continued its highly successful support and development programme for young executives, financing the participation of 52 selected individuals in graduate and post-graduate courses.

Finally, emphasis was placed once again on the organisation of customised training and job rotation programmes. There were 171 individual programs and had an average duration of 120 hours in 2005.

Promotion and Career Development

In 2005, the implementation of the available skills use and development project, which had been put in place in 2001, was continued aiming at filling new jobs emerging in the Group companies mainly with existing staff.

This programme was successfully continued for a fifth consecutive year and contributed to best possible staffing, saving the time and cost that would be required in case of external recruitment and helping in the redistribution of strengths and competences based on market requirements.



Reasonable use of natural resources: Indispensable tool for a sustainable future

Specifically, in the framework of this project 68% of 243 announced managerial job vacancies were staffed from within the Group, and 32% through external selection. Moreover, of the managerial jobs that were staffed from within the Group, 64% pertained to the Branch Network and 36% the Head Offices.

The Bank uses Evaluation and Development Centres for management jobs, in co-operation with external expert consultants. These centres help in the evaluation of competencies of staff destined for management jobs and their proper preparation to successfully execute their role. In 2005, 41 managers participated in the Evaluation and Development Centres, 36 of whom (88%) were actually promoted to higher management jobs.

Human Resources Management System

In 2005, the Human Resources Management System (HRMS) was further upgraded, in order to provide users with more possibilities. At same time, new modules were added, which will be fully operational in 2006 and extend the system activities attaining pioneering data management quality. It is noted that this system is planned to be disseminated to the foreign subsidiary banks.

Business Excellence Programme

Piraeus Bank consistently pursued its course to Business Excellence, as three more business units were certified by EFQM as “Committed to Excellence”, namely Internal Audit Division, Operations Division and Funds Transfer & Central Operations. All three business units completed their preparation in 2004 and performed a series of major interventions, so as to respond successfully to the certification process held in the 1st quarter 2005.

At the same time, further actions were initiated for the preparation of selected business units in order to move on to the next level of EFQM Business Excellence Model.

The introduction of the EFQM business excellence model into Piraeus Bank has already brought major benefits to the organisation, as it sets the direction towards on-going improvement and growth through an integrated approach.

Acknowledging the innovative methodology of and approach to introducing the Business Excellence concept into the Group and associating quality with human resources development, the Hellenic Management Association (HMA) awarded the title of “Quality Leader of the Year 2005” to the Head of the Human Resources & Training Division.

Alignment of Corporate and Individual Goals

On the basis of the Balanced Scorecard, concrete measurable targets with quantitative and qualitative features were set for the Human Resources & Training Division. Such targets make employee performance clear and promptly measurable and link the targets of the Division with the Group’s strategic targets.

The strategy is translated into simple terms intelligible to all employees, setting the conditions for positive response to its implementation, while the contribution of each department/person to the Bank’s “value creation chain” is made clear.

Social Contribution

In 2005, Piraeus Bank was once again actively involved in the promotion of the research work performed in the academic community, transferring know-how on a series of subjects, by both taking part in research projects and offering practice opportunities to students; it thus contributes to the establishment of links between education and labour market.

Equal Opportunities Policy

Piraeus Group pays particular attention to its equal opportunities policy, as well as prevention of any racial or other discrimination through the human resources policies. All procedures, actions and policies of the Group which pertain to Human Resources are designed on the basis of equal opportunities principles and enable everybody – without any discrimination on the basis of gender, nationality, physical ability, age, sexual preference or religion– to make use of and enjoy equal opportunities.

Health and Safety at the Workplace

Piraeus Bank Group has catered for the creation and maintenance of a modern and safe work environment, which reflects the high service standards, which are sought to be provided to both its customers and its human resources.

The close and substantial co-operation with special agencies providing Labour Doctors and highly trained Safety Experts in work and bank safety ensures optimum results in the best possible manner. It is noted that in 2005 there was no accident or injury involving any employee of Piraeus Bank.

Moreover, in 2005 the internal health and safety awareness programme was launched initially via the corporate newsletter “Winners” distributed to all employees.

Collective Representation

Almost all employees are represented by the four unions, the most representative of which is recognised as the competent body for bargaining with the Management.



Reducing energy consumption under smart solutions

Society, Environment and Culture

Piraeus Bank sponsors and supports various projects aimed at assisting disadvantaged social groups and protecting the natural environment every year. The Bank has also undertaken remarkable cultural activities through the Piraeus Group Cultural Foundation. In total, the Bank's contribution to actions, projects and initiatives regarding the social, cultural and environmental work accounted for approximately 2.4% of annual earnings before tax and 1.5% of operating expenses in 2005.

U.N. Global Compact

In the beginning of 2004, Piraeus Bank joined voluntarily the UN Global Compact, which pertains to ten principles in the areas of human rights, employment rights, environment protection and combat against corruption. Piraeus Bank took the initiative to support and promote these principles in its scope of activities. The table below shows the ten Global Compact principles and the actions taken by Piraeus Bank in order to put them in practice.

Principle	Reference to the Annual Reporter Implementation Method Description
1 Support and respect the protection of internationally proclaimed human rights within businesses and their sphere of influence	Full compliance with the relevant Greek and international laws
2 Make sure that businesses are not complicit in human rights abuses	Full compliance with the relevant Greek and international laws
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	"Hellenic Network for Corporate Social Responsibility", Feb.2005) Annual Corporate Social Responsibility Report "Human Resources"
4 Elimination of all forms of forced and compulsory labour	Full compliance with the relevant Greek and international laws
5 Effective abolition of child labour	Full compliance with the relevant Greek and international laws
6 Elimination of discrimination in respect of employment and occupation	Annual Corporate Social Responsibility Report "Human Resources"
7 Support a precautionary approach to environmental challenges	Annual Corporate Social Responsibility Report "Society, Environment and Culture"
8 Undertake initiatives to promote greater environmental responsibility	Annual Corporate Social Responsibility Report "Society, Environment and Culture"
9 Encourage the development and diffusion of environmentally friendly technologies	Annual Corporate Social Responsibility Report "Society, Environment and Culture"
10 Businesses should work against all forms of corruption, including extortion and bribery	- Code of Conduct - Relevant terms in individual employment contracts - Relevant labour relations framework in the Bank - Control mechanisms and procedures, and anti-money laundering information system (including corruption)

Social Actions

Piraeus Bank supports major programs aimed at aiding disadvantaged social groups. In particular, Piraeus Bank:

- since 2000, has implemented a special programme, in collaboration with the Greek Church, to assist families with many children in Thrace, subsidising every year all disadvantaged families with three or more children;
- since 2000, has been financing organised communities, associations and organisations for disadvantaged and orphan children. It has been the exclusive sponsor of major fundraising events for disadvantaged children or children suffering from severe or incurable diseases or children with special abilities;
- started financing organisations supporting elderly people, in the same year, and
- continues to actively support peoples detoxification and their smooth social re-integration after the conclusion of their therapy.

Cultural Actions

Piraeus Bank's contribution to culture is particularly remarkable through the Piraeus Group Cultural Foundation (PGCF). One of the principal activity fields of the Foundation is the network of Theme Museums throughout Greece, which are already in operating or gradually completed, and are dedicated to the cultural and economic history, as well as the industrial tradition of Greece.

Regarding actions in 2005, the following are worth noting:

- the PGCF Museums Network pursued its successful operation: Silk Museum, Open-air Water-power Museum and Museum of Oil and Greek Olive Oil, which was awarded the first prize of the "Architectural Awards 2004", category "Works of the wider public sector", organized by the Hellenic Institute of Architecture;
- the construction projects of the outdoor parking and multi-purpose hall at the Water-power Museum and multi-purpose hall and landscaping at the Museum of Oil and Greek Olive Oil were initiated and are constructed within the 3rd Community Support Framework (CSF) (Peloponnesus Regional Operating Plan, R.O.P.);
- the following museums are being constructed to be included into the network:
 - Marble Craft Museum in Pyrgos, Tinos island (3rd CSF, South Aegean R.O.P.);
 - Museum of Industrial Oil Production, Lesvos island (3rd CSF, N. Aegean R.O.P.);
 - Museum of Brick and Tile Manufacture in Volos and Museum of Paper Technology and History of Greek Typography in Thessalonica;
- the following museums are being developed to be completed during 2007:
 - Museum of Traditional Trades/Crafts and Environment at Stymfalia lake (3rd CSF, Peloponnesus R.O.P.);
 - Museum of Paper Technology and Greek Typography in Thessalonica;
- events were organized on the occasions of the International Museum Day (Museum of Oil and Greek Olive Oil) and European Heritage Days (Water-power Museum) to celebrate the participation of PGCF.

The Museums of the Foundation operate like "living organisms" in the Greek regions, as they are significant points of reference and venues for cultural and educational events in

the local societies. Among others, they attract large numbers of visitors and groups of students, who visit them in the framework of educational programmes carried out by primary and secondary schools.

A. Research and Academic Events Department **Research Projects**

Other fields of PGCF activity include the Departments of Research and Academic Events and Historical Archive. Specifically in 2005:

- The research programmes on the history of paper, history of bricks and tiles (in Greece and world-wide) and the environment and traditional trades in the area of Stymfalia were completed; the deliverables were forwarded for the preparation of the relevant museums, which will be included in the PGCF Museums Network;
- the research programme on water-power in Levia was completed along with the programmes “Oil Roads in Peloponnesus in antiquity” and “Post Cards of Crete” from the personal collection of Michalis Sallas, in order to prepare a relevant publication;
- following relevant research, an electronic data base of the findings of the programme “Technological Information in the Venice Archives” was presented to academic public;
- the study on tin metallurgy technique and inventory of traditional workshops in Pelio, and
- the Foundation adopted a research programme on Greek musical instruments carried out by the Musical Iconography Records, Aristotle University of Thessalonica, and takes part in a project on the use of the cultural reserve of Peloponnesus, in the framework of the Community initiative EQUAL.

Academic Events

- One-day seminars were held for the presentation of the data bank “Technological Information in the Venice Archives” and the history of paper, and
- the 10th three-day working meeting of the Foundation on “The History of Greek Milk and its Products”.

B. Historical Archive Department

The Historical Archive Department performed the following tasks:

- organized the active records of former ETBAbank;
- enriched the collections of the Department undertaking part of the records of Hellenic Alumina Industries S.A.;
- continued the inventory and classification of the Bank’s historical and current archive;
- continued the organization of Department special library;
- organized and completed the on-line catalogue of the Department’s library accessible via internet;
- satisfied research requests, and
- took part in seminars and conferences.

Finally, PGCF has a library, open to the public, which is constantly enriched with new titles and operates a Photographic Archive. The library’s reading room provides access to the data bank on “Technological Information in the Venice Archives”.

Environment

The indisputable fact that the environment is deteriorating at an increasing rate and the fact that the private sector has got a distinct responsibility in order to deal with the problem, led Piraeus Bank to plan and apply its Environmental policy as early as in 2003, committing the Bank to its “environmental behaviour” regarding the internal and external environment. In this manner, the Bank cares for the mitigation of the environmental impact caused by its operation and development of a sound corporate behaviour towards environmental issues in general.

The principles of the Environmental Policy, as approved by the Board of Directors, are as follows: *“Piraeus Bank recognises that energy sources are not inexhaustible and must, therefore, be used rationally. As a result, its contribution to the protection of the environment is two-fold, internal and external. Internally, the Bank endeavours to reduce the environmental impact of its activities. Externally, it endeavours to raise the awareness of its customers regarding the environment, and support actions taken outside Piraeus Bank, which are aimed at the safeguarding of the environment in general for the generations to come. To meet this objective, an Environmental Management System has been put in place, in compliance with the European EMAS Regulation.*

The Management of Piraeus Bank commits itself to the consistent application and ongoing improvement of the Environmental Management System, as well as its compliance with international and national regulations and codes of conduct regarding its operation and taking of preventive and corrective measures to avert the downgrading of the internal and external environment. The ongoing improvement of the Environmental Management System is achieved through reviews and revisions of both the same and the set management objectives.

All the people employed with Piraeus Bank are obliged to follow the relevant working procedures and guidelines, as well as any revisions thereof, arising from the application of the Environmental Management System.

In this context, the overall environmental management objectives of the organization are defined as follows:

- *to constantly look for preventive and corrective initiatives to be assumed, in order to use the resources required for the Bank’s efficient operation in more productive manner;*
- *to constantly raise the awareness of the staff regarding environmental issues;*
- *to constantly try to reduce potential environmental impact through the improvement of services and products delivered by the Bank;*
- *to communicate the environmental impact induced by the operation of Piraeus Bank, as well as the measures taken to mitigate such impact;*
- *to preserve and reinforce the organisation’s reputation regarding environmental protection.*

Such objectives may be achieved by applying control, monitoring and measurement methods on all the processes involved in the functions of products/services design and production, supplies and partnerships, technical support etc., as well as by defining measurable management objectives. For the purpose of implementing the environmental policy and attaining the effective or revised environmental targets and objectives, the Bank provides all and any required means and runs environmental management projects, which are properly communicated to the parties involved.



Renewable energy investments: An answer to climate change

Regarding the implementation of its Environmental Policy, Piraeus Bank proceeded to the attainment of specific goals in 2005, which had been set in the beginning of the year. As a result the Bank received a positive intermediate rating by the FTSE4Good Index Series 'Policy Committee' and obtained a 'Certificate of Membership' as a reward for all the choices and efforts that have been made regarding environmental issues in the framework of Corporate Social Responsibility. The international FTSE4Good index has been established by the independent organisation FTSE, known for its indices management services, in order to respond to the increasing needs of socially vulnerable investors for placements in companies meeting globally acknowledged Corporate Social Responsibility standards.

The assessment criteria aim at highlighting those companies that are highly sensitive to environmental policy issues, develop positive relationships with stakeholders, up-hold and support universal human rights.

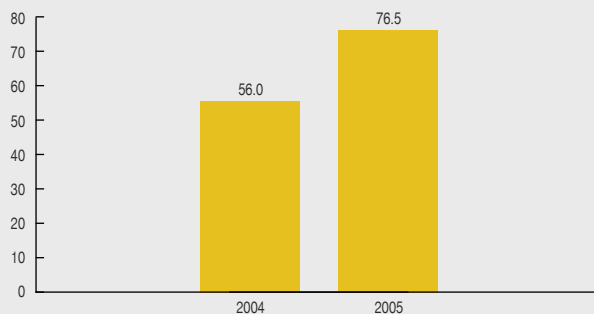
In 2005, a Special Environmental Issues Office was established and staffed with specialized people and a series of collaborations on environmental issues were fostered with expert scientists and organisations, such as the Ecological Recycling Organisation. It is worth noting that environmental initiatives are keenly joined by a wide range of executive staff: over 40 managers were involved the implementation of the relevant actions, and specific Divisions of the Bank played an active role in the planning and development of such actions.

The implementation of the paper, power, water and travels monitoring systems via concrete and comparable processes was gradually put in place in the beginning of 2005 and has been smoothly operating. The objective of this action is to assess the environment impact from the Bank's "internal" operation and perform projects and activities, in order to reduce such impact. The Internal Environmental Management system is in accordance with the EMAS (Eco-Management and Audit Scheme) Regulation (EU) No. 761/2001, including all procedures foreseen therein.

Specifically, in the last year paper continued to be collected in special recycling bins that have been placed in the central buildings of the Bank. 76.5 tons of paper were delivered for recycling, 20 tons more that the year before, exceeding the 2005 target, i.e. increase from 5% to 37%.

Below there is an indicative table of environmental benefits from the recycled paper:

Tons of Paper Recycled



Environmental Benefits from Recycling 76.5 Paper Tons

Trees not cut	1,230
Prevention of CO2 emissions	76 tons
Reduced water consumption	2,520 m ³
Reduced solid waste	38 tons
Reduced power consumption	345,000 kWh

Regarding air travels within Greece, although there was an increase in the number of the Bank's staff, air travels decreased by 74,300 km, reducing CO2 emissions in the air by approximately 9 tons. Similarly the mileage per employee dropped by 20.5% exceeding the 2005 target, i.e. 5% decrease. Air travels abroad did not decrease. This is mainly due to the major growth experienced by the Bank in the international arena, especially in South-eastern Europe and Egypt, in 2005, following the three acquisitions performed in the last year.

The constant information and awareness-raising of human resources was achieved via the intranet, where a special and distinct module was created under the title "We and the Environment". Thus any user may be informed about the content, the actions and outcomes of the Bank's environmental initiatives. Moreover, environmental articles are always included in the internal newsletter "The Winners".

The dissemination of information to the broad public is achieved via the Bank's website, where a special sub-module on environmental issues was added to the "Corporate Social Responsibility" field. This encompasses the Bank's Environmental policy principles and the actions performed. Besides, the Bank enables interested parties to contribute individually to the environmental organisations via the e-banking platform "winbank" and the same is also true for credit card holders through a special application called "winlife". Moreover, public information is also provided by means of permanent articles in the quarterly publication "Newsline"; Piraeus Bank is still the exclusive sponsor of a monthly ecological review selling 30,000 issues per month.

Apart from these "internal" actions, Piraeus Bank has been granting considerable amounts to various environmental organisations every year, in the context of its environmental policy on supporting environmental protection efforts. Specifically, during 2005 concrete strategy has been elaborated to support dynamic and reliable organisations aiming at the protection of vulnerable habitats, rescue and protection of endangered species, as well as information, training and awareness-raising of the public. The outcomes of this strategy were the implementation of a special environmental sponsoring programme for the rescue of the Mediterranean monk seal and the brown bear, in co-operation with the environmental organization "MOM" and "ARKTOUROS", accordingly, and the Bank's participation in the EU LIFE-Nature programme aiming at improving the fishing policy and mitigating the loss of income of coastal fishermen.

It is worth noting that the efforts for the rescue of two above endangered species, symbols of the Greek biodiversity, leading towards the sustainable growth of remote areas of the Greek mainland and coasts.

The above selections underpin the Bank's commitment to structure and apply its environmental policy consistently, in order to vindicate its socially responsible profile in an environment where "competitiveness is valued in ecologic and social terms".

Finally, both the current situation and the 2006 targets regarding environmental issues management by Piraeus Bank are detailed in the table below:

CURRENT CONDITION (2005)	2006 OBJECTIVES
ORGANISATION LEVEL	
Internal environment	
On-going monitoring of paper, power and water consumption and travels	Data processing and parameterisation Estimation of operating environmental impact
Standard and recurrent HR information and training procedure regarding environmental management issues	Establishment of a national and European environmental legislation data base Establishment of an "environmental identity" data base for branches and buildings Specialised human resources training seminars Transfer of know-how to subsidiaries abroad
External environment	
Response to environmental organisations' requests for support	Implementation of the environmental sponsoring programme 2006
APPLICATION LEVEL	
Internal environment	
76 tons of paper delivered for recycling	8% increase in the paper volume delivered for recycling
Pilot use of recycled paper (< 2% of total needs in A4 paper sheets)	75% of internal needs in A4 paper sheets met with 100% recycled and chlorine-free paper
According to estimates, the Bank's employees travelled approximately 625,700 km within Greece in 2005 (139 km per employee per year)	5% decrease in the average air mileage within Greece per employee per year
According to estimates, the Bank's employees travelled approximately 1,445,000 km abroad in 2005 (321 km per employee per year)	8% decrease in the average air mileage abroad per employee per year
According to estimates, approximately 22,779,000 kWh are consumed at the branches and head offices every year	Decrease in the consumption of fossil-fuel generated power by 10%
Decrease in the consumption of fossil-fuel generated power by 10%	
Support of Greek biodiversity protection programmes via sponsorships and partnerships	Involvement in environmental programmes and partnerships with environmental protection organisations Promotion and public information and awareness programmes



Conservation of biodiversity: Protection of own natural heritage

The photograph of the Mediteranean monk seal *Monachus monachus* (page 37) was kindly provided by MOm/Study and Protection of the Mediteranean monk seal

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