

**INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

AS AT 31 -3-2005

In accordance with International Financial Reporting Standards



ATHENS 13 JULY 2005

EMPORIKI BANK GROUP

Interim Consolidated Financial Statements (unaudited) – 31 March 2005

Amounts in thousands EURO (unless otherwise expressed)

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Interim Consolidated Income Statements

	Note	1January- 31 March 2005	1January- 31 March 2005
Interest income		242,579	205,935
Interest expense		(85,652)	(69,334)
Net interest income	6	156,927	136,601
Commission income		41,182	40,371
Commission expense		(9,664)	(11,039)
Net commission income	7	31,518	29,332
Dividend income	8	380	4,545
Net trading results	9	5,125	13,887
Gains less losses investment portfolio	10	6,432	(11,691)
Other operating income		3,729	3,828
Net insurance fees	11	65,246	54,535
Net operating income		269,357	231,037
Staff expenses	13	(100,207)	(106,661)
Depreciation		(11,241)	(12,045)
Impairment loans and advances	22	(27,546)	(40,806)
Other operating expenses	14	(42,837)	(49,089)
Insurance claims	12	(50,987)	(30,030)
Total operating expenses		(232,818)	(238,631)
Income/(expense) from associates		624	(2,089)
GAIN/ (LOSS) BEFORE TAXES		37,163	(9,683)
Income tax	15	(13,348)	(2,830)
GAIN/ (LOSS) AFTER TAXES		23,815	(12,513)
Allocated to:			
Shareholders of the Bank		24,493	(9,866)
Minority		(678)	(2,646)
Basic earnings per share (in Euro)	16	0.30	(0.12)

Notes on pages 9 to 50 form an integral part of these financial statements.

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Interim Consolidated Balance Sheet

	Note	31 March 2005	31 December 2004
ASSETS			
Cash and balances with Central Bank	17	515,892	644,778
Treasury bills	18	34,599	33,869
Due from banks	19	1,249,564	918,441
Trading securities	20	1,346,644	2,081,202
Derivative financial instruments – Assets	21	10,140	249
Loans and advances to customers (net of provision)	22	13,946,927	13,565,287
Available for sale securities	23	254,274	248,562
Held-to-maturity securities	24	33,079	32,603
Investments in non consolidated subsidiaries	25	5,759	4,991
Investments in associates	26	21,910	21,286
Intangible assets	27	22,746	26,465
Property, plant and equipment	28	374,683	375,710
Investment property	29	128,559	128,899
Deferred tax asset	36	261,205	262,937
Income tax advance		16,907	16,907
Other assets	30	478,330	444,784
TOTAL ASSETS		18,701,218	18,806,968
LIABILITIES AND EQUITY			
Liabilities			
Due to other banks	31	422,825	806,512
Derivative financial instruments – Liabilities	21	26,000	53,024
Due to customers	32	15,151,516	14,928,224
Debt securities	33	396,520	396,421
Other debt securities	34	348,232	347,087
Due to pension fund schemes	35	712,000	712,000
Employee benefits		32,694	32,122
Other provisions	36	480,371	463,777
Other liabilities	37	507,492	492,711
Tax liabilities		24,103	12,932
Deferred tax liabilities	38	6,366	5,469
Total liabilities		18,108,119	18,250,279
Equity			
Share capital	40	485,435	485,435
Share premium	40	272,183	272,183
Less: Own shares	40	(112,264)	(132,793)
Accumulated deficit		(771,228)	(786,950)
Other reserves		685,399	685,584
		559,525	523,459
Minority interest		33,574	33,230
Total Equity		593,099	556,689
TOTAL LIABILITIES AND EQUITY		18,701,218	18,806,968

Notes on pages 9 to 50 form an integral part of these financial statements.

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Consolidated Interim Statement of Changes in Equity

	Share capital	Share premium	Own shares	Foreign exchange reserves	Other reserves	Accumulated deficit	TOTAL	Minority interests	TOTAL
Balance at 1 January 2004	429,658	278,392	(140,737)	(14,628)	729,302	(669,740)	612,248	69,339	681,587
Available-for-sale valuation Results for the period 1/1/04-30/06/04	-	-	-	-	976	-	976	-	976
Foreign exchange differences	-	-	-	3,291	-	(9,866)	(9,866)	(2,646)	(12,513)
Change in percentage holdings of subsidiaries	-	-	-	-	-	-	-	2,985	2,985
Transfer between reserves	-	-	-	-	(4,217)	4,217	-	-	-
Revaluation reserves	-	-	-	-	(4,041)	-	(4,041)	-	(4,041)
Own shares purchase (at cost)	-	-	(2,620)	-	-	-	(2,620)	-	(2,620)
Balance as at 31 March 2004	429,658	278,392	(143,357)	(11,337)	722,020	(675,390)	599,987	71,580	671,567
Balance as at 1 April 2004	429,658	278,392	(143,357)	(11,337)	722,020	(675,390)	599,987	71,580	671,567
Available-for-sale valuation	-	-	-	-	1,710	-	1,710	-	1,710
Dividend 2003	-	-	-	-	-	(40,683)	(40,683)	-	(40,683)
Appropriation 2003	-	-	-	-	14,270	(14,352)	(83)	-	(83)
Loss for the period 1/4/04- 31/12/04	-	-	-	-	-	(94,131)	(94,131)	(6,544)	(100,675)
Effect from mergers	55,777	(6,209)	(3,230)	-	(51,070)	51,070	46,338	(49,568)	(3,230)
Own shares (at cost)	-	-	-	-	-	(2,385)	(2,385)	-	(2,385)
Sale of own shares (at cost)	-	-	13,793	-	-	-	13,793	-	13,793
Goodwill through reserves	-	-	-	-	3,954	-	3,954	678	4,632
Share capital increase in subsidiaries through resignation of minority	-	-	-	-	-	(11,078)	(11,078)	15,673	4,595
Foreign exchange differences	-	-	-	6,037	-	-	6,037	1,411	7,448
Balance as at 31 December 2004	485,435	272,183	(132,793)	(5,300)	690,884	(786,950)	523,459	33,231	556,689
Balance as at 1 January 2005	485,435	272,183	(132,793)	(5,300)	690,884	(786,950)	523,459	33,231	556,689
Available-for-sale valuation Results for the period 1/1/05 - 31/3/05	-	-	-	-	(29)	-	(29)	-	(29)
Foreign exchange differences	-	-	-	(3,694)	-	-	(3,694)	(344)	(4,038)
Revaluation reserves	-	-	-	-	(5,233)	-	(5,233)	1,365	(3,868)
Transfer between reserves	-	-	-	-	8,772	(8,772)	-	-	-
Sale of own shares	-	-	20,529	-	-	-	20,529	-	20,529
Balance as at 31 March 2005	485,435	272,183	(112,264)	(8,994)	(694,394)	(771,228)	559,525	33,574	593,099

Notes on pages 9 to 50 form an integral part of these financial statements.

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Consolidated Interim Cash Flow Statement

	Period ended 31 March 2005	Period ended 31 March 2004
Inflows / (outflows) from operating activities		
Net gain/(loss) after taxes	24,493	(9,866)
<u>Adjustment to net result for net inflows/(outflows) of operating activities</u>		
<u>Adjustments to profit and loss account for non cash items :</u>		
Depreciation and amortization	11,241	12,044
Impairment for credit losses	27,546	40,806
Net income/(losses) from associates	(624)	2,089
Amortized expenses of debt securities and other borrowed funds	1,243	-
	<u>39,406</u>	<u>54,939</u>
<u>Net (increase)/ decrease operating assets:</u>		
Obligatory deposits with Bank of Greece	59,823	(111,971)
Due from credit institutions	(32,219)	(6,449)
Trading securities (less government bonds)	199,983	(122,684)
Derivative financial instruments (assets)	(9,890)	(95)
Loans and advances to customers (net of write-offs)	(409,187)	(674,654)
Deferred tax asset	1,732	(4,753)
Other assets	(33,546)	284
	<u>(223,304)</u>	<u>(920,322)</u>
<u>Net increase/(decrease) operating liabilities:</u>		
Due to banks	(383,687)	1,648,167
Derivative financial instruments (liabilities)	(27,024)	(20,711)
Due to customers	223,293	(41,148)
Current tax liabilities	11,171	7,148
Deferred tax liabilities	898	535
Other liabilities	31,376	(90,448)
Minority interests	343	2,241
Employee benefits	571	(2,522)
	<u>(143,059)</u>	<u>1,503,262</u>
Total inflows/(outflows) from operating activities	(302,464)	628,013
Inflows / (outflows) from investment activities		
Increase in participation in subsidiaries	(769)	(1,937)
Adjustments through equity	(3,839)	(3,034)
Foreign exchange differences	(3,694)	3,291
Changes in property, plant and equipment, intangible assets and investment property	(6,155)	(11,368)
Changes of held to maturity assets	(5,627)	22,851
Decrease of available-for-sale investments	10,716	128,987
Total inflows/ (outflows) from investment activities	(9,368)	138,790
Inflows / (outflows) from financial activities		
Sale /(purchase) of own shares	20,529	(2,620)
Total inflows/(outflows) from financial activities	20,529	(2,620)
Net increase/(decrease) in cash and cash equivalents	(291,303)	764,183
Cash and cash equivalent, opening	2,767,546	2,303,028
Cash and cash equivalent, closing	2,476,243	3,067,211

Notes on pages 9 to 50 form an integral part of these financial statements.

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Notes to the interim consolidated financial statements

1. General information about the Group

Emporiki Bank Group ("Emporiki Bank" or "Group") operates in all banking activities (retail, corporate) in investment banking, in asset management and in financial services. The Group offers services in Greece through its network of 380 branches and abroad through its branches in London as well as through its subsidiaries in Germany, Cyprus, Bulgaria, Albania, Romania, Armenia and Georgia.

Emporiki Bank was established in Greece in 1907 and its shares are listed in the Athens Stock Exchange from 1909. The share of Emporiki Bank is included in the Athens General Index and in the FTSE 20.

Its web site address is www.emporiki.gr.

The financial statements have been approved by the Board of Directors of the Bank on 12 July 2005.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these interim consolidated financial statements are set out below.

2.1 Basis of preparation

These interim consolidated financial statements of Emporiki Bank for 31 March 2005 are for the three month period ended 31 March 2005 have been prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared in accordance IAS 34, "Interim Financial Reporting", and are covered by IFRS 1, "First-time Adoption of IFRS", because they are part of the period covered by the Group's first IFRS financial statements for the year ended 31 December 2005.

These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (April – June 2005). The policies applied to financial instruments for all the periods are disclosed separately below.

The Group's consolidated financial statements were prepared in accordance with Greek Generally Accepted Accounting Principles (Greek GAAP) until 31 December 2004. Greek GAAP differs in some areas from IFRS. In preparing the consolidated interim financial statements, management has amended certain accounting, valuation and consolidation methods applied in the Greek GAAP financial statements to comply with IFRS. The comparative figures in respect of 2004 were restated to reflect these adjustments.

Reconciliations and descriptions of the effect of the transition from Greek GAAP to IFRS on the Group's equity and its net income and cash flows are provided in Note 4.

These consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. Its also requires management to exercise judgment in the process of applying the Group's accounting policies.

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2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Foreign currency translation

(a) Functional and presentation currency

The consolidated financial statements are presented in the functional and presentation currency of the Group, the Euro.

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(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve as of 1 January 2004.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (3) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments either for hedging purposes or for trading purposes and on behalf of customers. The Group uses the following derivatives: OTC and exchange traded options, futures, interest rate and currency swaps and forwards.

Derivatives are initially recognized at cost and are subsequently remeasured at their fair value, obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, if market prices are not available. Changes in the fair value of derivatives are recorded in the income statement.

The Group designates certain derivatives as either hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge) or, hedges of highly probable future cash flows attributable to a recognized asset or liability, or a forecasted transaction (cash flow hedge) or for a net investment in a foreign subsidiary.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivative that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

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2.5 Interest income and expense

Interest income and expense are recognized in the income statement for all instruments measured at amortised cost using the effective interest method, which includes all fees and points paid or received between parties to the contract, transaction costs and all other premiums or discounts.

The Group does not recognize interest income on non-performing loans . Interest income for these loans are recorded in off balance sheet accounts until they are considered performing.

2.6 Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loans.

2.7 Financial assets

The Group classifies its financial assets in the following 4 categories. Management determines the classification of its investments at initial recognition and reassess at reporting period.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category, if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans include originated loans and do not include loans acquired.

(c) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group did not have any held-to-maturity assets when preparing these financial statements.

(d) Available-for-sale

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

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Purchases and sales of financial assets at categories (a), (c), (d) above are recognized on trade date – the date on which the Group commits to purchase or sell the asset at fair value which for held for sale assets and available for sale securities includes transaction costs. Loans and advances (category b) are recognized when cash is advanced to the borrowers.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in equity, until the financial assets is derecognized or impaired at which time the cumulative gain or loss previously recognised in equity should be recognized in profit or loss.

Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the income statement in the period in which they arise.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method less impairment losses. These assets are examined for impairment losses which is when the present value of expected cash flows discounted at the effective rate is less than book value.

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, and other valuation techniques commonly used by market participants.

The Group assesses at each reporting period if there are indications of impairment. For equity instruments classified as available-for-sale such indications exist when the hedge is a prolong decline in the fair value compared to cost. If such impairment exists the remaining amount in equity is transferred to the income statement.

2.8 Off setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when:

- a) there is a legally enforceable right to offset the recognized amounts and
- b) there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.9 Sale and repurchase agreements

Securities sold subject to repurchase agreements (“repos”) are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate.

Securities purchased under agreements to resell (“reverse repos”) are recorded as loans and advances to other banks or customers, as appropriate. Securities lent to counterparties are also retained in the financial statements of the Group. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

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2.10 Impairment of financial assets

Assets with an infinite useful life and are not depreciated are assessed for impairment losses annually or whenever there is an indication that the reporting balance is non recoverable. Assets that are depreciated are tested for impairment loss when there is evidence that the book value is not recoverable. The recoverable amount is the largest amount between fair value less selling costs and book value. In estimating the recoverable amount assets are classified in smaller cash generating units. Impairment loss when incurred is recorded to the income statement.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- (i) significant financial difficulty of the issuer or obligor;
 - (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
 - (iii) the Group granting to the borrower, for economic or legal reasons relating to the borrower’s financial difficulty, a concession that the lender would not otherwise consider;
 - (iv) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
 - (v) the disappearance of an active market for that financial asset because of financial difficulties;
- or
- (vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - adverse changes in the payment status of borrowers in the group; or
 - national or local economic conditions that correlate with defaults on the assets in the group

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

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If there is objective evidence that an impairment loss on an asset or a group of assets has accrued, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. These characteristics (industry, financial, sector, geographical) are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Changes in the expected cash flows are recognized in the income statement as a gain if there is a release or a loss if there is an increase.

2.11 Intangible assets - Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives (three to five years). Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

2.12 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years
Buildings and leasehold improvements	40 to 50
Computer Hardware	3 to 4
Vehicles	5 to 7
Furniture and equipment	5 to 7

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

These are included in the income statement.

On transition date to IFRS (1 January 2004) the Group valued land and buildings at fair value based on professional valuations. This fair value was considered as deemed cost.

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2.13 Investment property

The Group classifies land and buildings that are not used for operational purposes or are held for investment purposes (rental income or capital appreciation) as investment property and records them at amortized cost less impairment losses. The Group depreciates investment property during its useful life which is estimated at 40 to 50 years. On transition date to IFRS (1 January 2004) the Group classified investment property at fair value as determined by professional valuers. Fair value was considered as their deemed cost.

2.14 Leases

(a) The Group as lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period. Property, plant and equipment acquired under finance leases is depreciated over the lower between the useful life of the asset or the term of the lease. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(b) The Group as lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

2.15 Insurance activities

a) Provision for insurance claim

Provision for unsettled claims

As a result of normal operations there are obligations for outstanding claims, most of which are delayed due to their nature or are under legal proceedings. Specialists along with legal council where considered necessary determine the settlement of these claims and the fair value of any provisions. This provision is determined on a file by file basis, on supporting evidence taken into account direct claims and third party fees such as lawyers, court and judicial expenses.

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b) Recognition of income

Insurance premium fees are recognized as income:

1. Upon issue for long term life contracts
2. Upon the term of the contract for short term life contracts
3. Based on the insurance period for settlement of claims.

c) Reinsurance contracts

Reinsurance contracts are contracts issued by one insurer to compensate losses on one or more contracts issued by and the insurer.

d) Unbundling of components

The company issues investment contracts on a unit linked basis or a defined acquisition fund – DAF. The fair value of a unit link fund is determined by the current net price of a unit which reflects the fair value of the asset linked to the fund time, the number of the funds held by the issuer on a balance sheet date.

The fair value of the liability of DAF is determined by the contributions made less acquisitions or amounts settled plus investment income from the use of the asset during the period.

e) Assessment of provision

Provisions are accounted for in accordance with IFRS 4 based on the level of provisions less defined acquisition costs (DAC). Current discounted cash flows are used less direct expenses. Future cash flows are discounted using yield curves. Any amounts that are insufficient are deducted from DAC and a corresponding liability for the risk is determined . Any DAC deducted cannot be replaced.

2.16 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including: cash and non-restricted balances with the Bank of Greece, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.17 Provisions

Provisions for restructuring costs and legal claims are recognized when:

- (1) the Group has a present legal or constructive obligation as a result of past events;
- (2) it is more likely than not that an outflow of resources will be required to settle the obligation;
and
- (3) the amount has been reliably estimated.

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2.18 Employee benefits

(a) Short-term obligations

Short-term obligations to employees in cash or other non-monetary items are recognised as an expense on an accrual basis.

(b) Post employment benefits

The Group has both defined benefit and defined contribution plans. The contributions are recognized as employee benefit expense when they are due.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Greek Government bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the employees' expected average remaining working lives based on the corridor approach for 10% of defined benefit obligations. Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Upon the date of publishing these financial statements the Bank has an auxiliary fund (TEAPETE) which is subject to law "Capital market and other laws" as explained in note 34.

(c) Employee termination benefits

Employee termination benefits are paid when employees leave prior to retirement. The Group records a liability when it is obliged to pay an amount according to a detailed employee scheme or when there are motives for voluntary termination. Long-term employment schemes are discounted.

In case the amount is not known precisely, termination benefits are recognized as a contingent liability.

2.19 Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary difference can be utilized. Deferred taxes are presented separately as assets and liabilities and are not offset.

Income tax payable on profits, based on the applicable tax law, is recognized as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognized as an asset when it is probable that future taxable profits will be available against with these losses can be utilized.

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2.20 Borrowings

Borrowing are recognized initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.21 Share capital and own shares

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

Where the Group or other members of the consolidated Group purchases the Bank's equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.22 Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

2.23 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Financial risk Management

3.1 Financial risk factors

The Group's activities are related with financial instrument risks and risks from derivatives. The Group receives deposits from customers for different time intervals offering fixed and floating rates. The Bank invests these funds to achieve higher than the average offer rate. To expand this spread the Group receives short term deposits and offers higher rates for long term liabilities maintaining an adequate liquidity coverage for all possible obligations that may occur.

The Group is exposed to various risks such as credit, liquidity, cash flow and fair value risk from the change in rates. The general risk management policy for the Group is focused on confronting the uncertainties of financial markets and tries to minimize any negative effects to the profits for the Group. The Group uses financial derivatives such as futures/forwards and interest rate swaps to hedge these risks.

Risk management apart from credit risk is maintained at a central level adopting to regulations and decisions made by the Asset Liability Committee (ALCO). Credit risk management is governed by the Credit Committee that defines the credit risk strategy and monitors its progress. Risk Management defines, estimates and confronts all financial risks in cooperation with the departments that are involved with these risks. The Board of Directors gives written instructions and guidelines for central risk management and special instructions for confronting special risks such as foreign exchange, interest and credit risk.

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Cash flow hedging and fair value hedging for changes in interest rates.

Operating income and cash flows of the Group are affected by the change in interest rates. The Group in several cases is exposed to floating rates loans and enters into a interest rate swap (IRS) to hedge cash flows on future interest payments that result in transferring floating loans to fixed.

Interest rate swaps allow the Group to convert long-term exposure in floating rates to fixed which would be less than if the Group would borrow if the loans at inception were made with fixed rates. Through IFRS the Group agrees with third parties to exchange at specific time intervals the difference between fixed and floating rates based on the initial nominal value borrowed.

Interest rate risk is from long term loans. Floating rate loans expose the Group to cash flow risks. Fixed rate loans expose the Group to fair value risks. It is the Groups policy to have approximately all of their loan portfolio with floating rates.

3.2 Credit risk

Credit risk is the loss from the risk that the counterparty will be unable to pay amounts in full when due. In accordance with its credit scoring policy the Group can estimate the credit risk for each loan category and estimate the exposure to credit risk.

From experience, management is able to carefully manage the credit risk it is exposed to by issuing credit policies.

It applies an internal credit grading for corporate entities, small and medium size entities. This model has been expanded and improved and will apply in 2005 for improving credit risk management. The new model is based on classifying loans in delays by collateral coverage.

Based on the same model the Group already connects the customer grading with the credit risk exposed within a year by industry.

Apart from credit risk, the Group also monitors market risk by monitoring loan concentration per business sector. In addition it develops practices to evaluate and approve credit risk exposed by the Group and Bank. It also monitors shifts in the quality of the loan portfolio in order to confront any risks incurred.

For retail loans the Group has developed a credit scoring system to estimate precisely the credit risk by customer and minimizing credit risk. This is done through monitoring payment behaviors of customers.

In addition the Group has developed a system for allocating impairment losses for portfolio loans that gives a statistical estimate on the possible loss for the following year based on historic trends and is used to evaluate the quality of the credit portfolio. Impairment losses recorded cover all losses for the Group.

Emporiki Bank is in the process of developing new risk management policies to adopt to the new Basle II framework.

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3.3 Market risk

In 2004 the Group developed and improved its internal risk management policy. The maximum value at risk (VaR) for the trading portfolio is estimated through historical simulation on a daily basis. In addition it uses the Monte-Carlo methodology. This analysis is done for each market risk (interest, foreign currency and equity) and is confirmed through backtesting controls and stress testing. In 2004 it adopted a strategy to invest in high quality international corporate bonds.

The average credit rating of this portfolio by the end of 2004 was A according to Standard & Poor's.

For 2005 the Group considers as its top priority to cover the risk management policy for all its subsidiaries. In addition, it will start reporting to regulatory authorities using standardized methodologies.

3.4 Foreign currency

Foreign currency risk is the risk from the change in value of a financial instrument asset or liability as a result of changes in currency rates. Foreign currency risk from transactions in foreign currency is a result of a long or short open position exposing the Group to foreign exchange risks. These risks may also result by funding assets in one currency with a different currency or through forward contracts or by option derivatives. This risk is also driven by the net equity of subsidiaries with a presentation currency other than the Euro. The Group covers this risk as its funding is to a large extent the same currency. The Group does transactions in foreign currencies to cover customer needs or to hedge its open positions. The Group's risk management monitors transactions based on limits approved. The Group maintains limits in order to control the following:

- (a) Open positions in a currency (long or short per currency).
- (b) Total negative exposures.
- (c) Maximum losses (On a daily/monthly or annual basis).

The following tables show the foreign currency exposure of the Group. These tables present assets and liabilities per currency. In addition the notional amount used to hedge the currency risk is also shown.

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ASSETS	EUR	USD	GBP	CHF	JPY	Other	Total
Cash and balances with Central Bank	471,786	1,895	372	78	11	41,750	515,892
Treasury bills and other eligible bills	34,599	-	-	-	-	-	34,599
Due from banks	885,017	206,481	49,494	21,906	7,224	79,442	1,249,564
Trading securities	1,345,089	-	-	-	-	1,555	1,346,644
Derivative financial instruments – assets	273	-	-	-	-	9,867	10,140
Loans and advances to customers (after impairment loss)	12,911,866	669,270	37,689	74,218	51,062	202,822	13,946,927
Available-for-sale securities	221,738	32,511	-	-	-	25	254,274
Held-to-maturity securities	30,304	-	-	-	-	2,775	33,079
(Non-consolidated) subsidiaries	5,759	-	-	-	-	-	5,759
Investment in associates	21,910	-	-	-	-	-	21,910
Intangible assets	20,445	44	23	-	-	2,234	22,746
Property, plant and equipment	356,222	2,920	63	-	-	15,478	374,683
Investment property	128,559	-	-	-	-	-	128,559
Deferred tax asset	261,179	7	-	-	-	19	261,205
Income tax advances	16,907	-	-	-	-	-	16,907
Other assets	502,510	27,046	2,512	396	(57,712)	3,578	478,330
Total assets	17,214,163	940,174	90,153	96,598	585	359,545	18,701,218

LIABILITIES	EUR	USD	GBP	CHF	JPY	Other	Total
Due to banks	194,455	104,847	5,374	41,331	11,406	65,412	422,825
Derivative financial instruments – liabilities	16,231	-	-	-	-	9,769	26,000
Due to customers	13,633,060	780,404	82,642	5,208	311,621	308,581	15,151,516
Debt securities	396,520	-	-	-	-	-	396,520
Other debt issues	348,232	-	-	-	-	-	348,232
Due to pension fund schemes	712,000	-	-	-	-	-	712,000
Employee benefits	32,693	-	-	-	-	-	32,693
Other provisions	480,371	-	-	-	-	-	480,371
Other liabilities	474,747	25,570	1,335	424	4	5,412	507,492
Current tax liabilities	24,043	-	-	-	-	60	24,103
Deferred tax liabilities	6,313	8	-	-	-	45	6,366
Total liabilities	16,291,889	910,829	89,351	46,963	323,031	389,279	18,108,119

Net equity	922,274	29,345	802	49,635	(322,446)	(29,734)	593,099
Off balance sheet items	(255,150)	(72)		(50,002)	244,188	64,201	3,165

31 December 2004	EUR	USD	GBP	CHF	JPY	Other	Total
Total assets	17,302,646	948,496	99,431	82,567	68,673	305,155	18,806,968
Total liabilities	16,283,065	901,870	107,730	91,639	518,686	347,289	18,250,279
Net equity	1,019,581	46,626	(8,299)	(9,072)	(450,013)	(42,134)	556,689
Off balance sheet items	(427,421)	(1,670)	9,219	(84,257)	461,230	45,794	2,895

3.5 Interest rate risk

Interest rate risk is the risk for changes in the fair value of financial instruments and to net interest income for the Group as a result of changes in interest rates. Interest rate risk is a result of the deferral in adjusting assets and liability items to interest rate changes.

The Group uses the PVBP methodology (Present Value of a Basis Point) to measure control and manage interest rate. PVBP measures the effect to the fair value of financial instruments and to the profitability of the Group for every change by 1 basis point (0.01%) to the yield curve.

The Group's interest rate risk is from retail banking and is usually funded by the money market. There is though a small volume of transactions in fixed rate bonds and interest rate forwards compared to the size of the Group's balance sheet.

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The Group uses PVBPs as a measurement of exposures in order to control:

- (a) Total interest rate exposure by period.
- (b) Total interest rate exposure per currency (mainly Euro, GBP, USD and Australian Dollar).
- (c) Total interest rate exposure.

The Group measures its interest rate exposure as the maximum loss as a result of changes in interest rates. These changes are based on historic data and through stress scenarios. It should be noted that the Group measures its interest rate exposure to count the maximum loss within a reasonable interval.

The following tables show the interest rate exposure. These tables present the book value of asset and liability items for the Group categorized by the minimum between the date that rates change or when the financial asset or liability matures.

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Interest risk	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non interest bearing	Total
Cash and balances with Central Bank	280,461	-	-	-	-	235,431	515,892
Treasury bills and other eligible bills	16,282	748	17,708	-	-	(138)	34,599
Due from banks	745,390	180,891	115,487	41,164	1,000	165,632	1,249,564
Trading securities	59,263	123,584	101,567	520,767	180,628	360,835	1,346,644
Derivative financial instruments – assets	273	-	-	-	-	9,866	10,140
Loans and advances to customers after impairment loss)	8,721,283	2,824,818	1,767,030	828,520	112,032	(306,757)	13,946,927
Available-for-sale securities	1,408	21,750	46,470	1,158	-	183,488	254,275
Held-to-maturity securities	-	83	404	-	32,592	-	33,079
Investment in subsidiaries	-	-	-	-	-	5,759	5,759
Investment in associates	-	-	-	-	-	21,910	21,910
Intangible assets	-	-	-	66	-	22,680	22,746
Property, plant and equipment	-	-	-	-	-	374,683	374,683
Investment property	-	-	-	-	-	128,559	128,559
Deferred tax asset	21	-	41	-	-	261,143	261,205
Income tax advances	-	-	-	-	-	16,907	16,907
Other assets	4,201	2,867	859	-	-	470,403	478,330
Total assets	9,833,619	3,154,741	2,049,567	1,392,004	326,253	1,945,035	18,701,218
LIABILITIES							
Due to banks	233,778	127,775	50,177	1,000	935	9,161	422,825
Derivative financial instruments –	16,232	-	-	-	-	9,768	26,000
Due to customers	11,532,766	1,349,153	2,125,922	45,648	-	98,027	15,151,516
Debt securities	-	396,520	-	-	-	-	396,520
Other debt issues	-	348,082	-	-	-	151	348,232
Due to pension fund schemes	-	-	-	712,000	-	-	712,000
Employee benefits	82	-	-	-	-	32,610	32,693
Other provisions	-	-	-	-	-	480,371	480,371
Other liabilities	8,369	10,109	1	717	-	488,296	507,492
Current tax liabilities	-	-	-	-	-	24,103	24,103
Deferred tax liabilities	-	-	-	-	-	6,366	6,366
Total liabilities	11,795,715	2,231,794	2,176,099	759,365	935	1,144,210	18,108,119
Net interest rate exposure	(1,962,096)	922,947	(126,532)	632,639	325,317	800,824	593,099

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	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non interest bearing	Total
ASSETS							
Cash and balances with Central Bank	442,923	-	-	-	-	201,854	644,778
Treasury bills and other eligible bills	12,076	1,213	19,557	-	-	1,023	33,869
Due from banks	9,102	124,377	127,097	39,832	140	617,894	918,441
Trading securities	158,925	282,590	155,877	711,611	477,895	294,305	2,081,202
Derivative financial instruments – assets	249	-	-	-	-	-	249
Loans and advances to customers after impairment loss)	8,614,738	2,037,176	2,179,341	809,610	129,136	(204,715)	13,565,287
Available-for-sale securities	19,173	4,552	6,069	602	31,461	186,705	248,562
Held-to-maturity securities	-	-	-	-	30,087	2,516	32,603
Investment in subsidiaries	-	-	-	-	-	4,991	4,991
Investment in associates	-	-	-	-	-	21,286	21,286
Intangible assets	-	-	-	23	-	26,442	26,465
Property, plant and equipment	2,855	-	-	326	-	372,528	375,710
Investment property	-	-	-	-	-	128,899	128,899
Deferred tax asset	846	-	-	-	-	262,090	262,937
Income tax advances	-	-	-	-	-	16,907	16,907
Other assets	1,262	3,948	-	-	-	439,574	444,784
Total assets	9,262,150	2,453,856	2,487,941	1,562,003	668,719	2,372,299	18,806,968
LIABILITIES							
Due to banks	418,255	215,199	136,672	5,081	16,646	14,659	806,512
Derivative financial instruments – liabilities	53,024	-	-	-	-	-	53,024
Due to customers	11,510,429	1,081,176	2,129,196	70,123	3,885	133,414	14,928,224
Debt securities	-	-	-	-	-	396,421	396,421
Other debt issues	-	-	-	-	-	347,087	347,087
Due to pension fund schemes	-	-	-	712,000	-	-	712,000
Employee benefits	71	-	-	-	-	32,051	32,122
Other provisions	-	-	-	-	-	463,777	463,777
Other liabilities	5,623	9,488	13	914	-	476,673	492,711
Current tax liabilities	4,022	-	-	-	-	8,911	12,932
Deferred tax liabilities	-	-	-	-	-	5,469	5,469
Total liabilities	11,991,424	1,305,864	2,265,881	788,119	20,531	1,878,461	18,250,279
Net interest rate exposure	(2,729,274)	1,147,993	222,060	773,885	648,188	493,838	556,689

3.6 Liquidity risk

Liquidity risk is the risk from the gap between the maturity of asset and liability items. Liquidity risk expresses the danger that the Group can not fulfill its obligations in the future from gaps between financial instruments or transactions.

The Group measures this risk and controls it by using a developed liquidity management that has various controls. The Group adheres to liquidity restraints authorized by the regulatory authorities locally and abroad as well as to internal limits.

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The Group controls and manages liquidity risk throughout the period by using the following:

- (a) Minimum reserve balance as defined by the Bank of Greece.
- (b) Liquidity indexes defined by the regulatory authority (Bank of Greece) and internally.

The Groups operations abroad adhere to liquidity rules defined by the Bank of Greece and local regulatory decisions.

The following tables depict the assets and liability items of the Group by maturity as at the reporting date.

31 March 2005

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with Central Bank	502,783	-	-	13,109	-	515,892
Treasury bills and other eligible bills	23	5,154	29,422	-	-	34,599
Due from banks	654,568	133,138	204,967	148,775	108,116	1,249,564
Trading securities	990,084	12,177	48,238	280,309	15,836	1,346,644
Derivative financial instruments – assets	10,140	-	-	-	-	10,140
Loans and advances to customers (after impairment loss)	1,591,960	1,872,836	3,028,390	4,420,326	3,033,415	13,946,927
Available-for-sale securities	46,082	75	14,924	193,059	134	254,274
Held-to-maturity securities	50	501	3,785	-	28,743	33,079
Investment in subsidiaries	-	-	-	5,759	-	5,759
Investment in associates	-	-	-	-	21,910	21,910
Intangible assets	27	-	-	418	22,301	22,746
Property, plant and equipment	5,829	-	-	23,489	345,365	374,683
Investment property	-	-	-	-	128,559	128,559
Deferred tax asset	-	-	-	261,205	-	261,205
Income tax advances	16,907	-	-	-	-	16,907
Other assets	272,542	3,736	85,055	116,937	60	478,330
Total assets	4,090,995	2,027,617	3,414,781	5,463,386	3,704,436	18,701,218
LIABILITIES						
Due to banks	93,996	152,602	59,135	35,227	81,865	422,825
Derivative financial instruments – liabilities	26,000	-	-	-	-	26,000
Due to customers	3,672,707	1,272,177	2,170,274	7,324,111	712,247	15,151,516
Due to customers	-	-	-	396,520	-	396,520
Other debt issues	-	-	376	-	347,856	348,232
Due to pension fund schemes	-	-	-	712,000	-	712,000
Employee benefits	-	-	32,693	-	-	32,693
Other provisions	-	-	-	480,371	-	480,371
Other liabilities	275,760	27,700	154,459	12,675	36,899	507,493
Current tax liabilities	255	23,725	123	-	-	24,103
Deferred tax liabilities	44	-	23	6,299	-	6,366
Total liabilities	4,068,762	1,476,204	2,417,083	8,967,203	1,178,867	18,108,119
Net equity	22,233	551,413	997,698	(3,503,817)	2,525,572	593,099
	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2004						
Total assets	5,121,156	1,999,898	2,828,818	5,403,602	3,453,494	18,806,968
Total liabilities	4,622,574	1,190,368	2,401,810	7,833,217	2,202,310	18,250,279
Net equity	498,582	809,530	427,008	(2,429,615)	1,251,184	556,689

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3.7 Fair value estimation

Fair values of financial instruments that are listed in active markets equal to the published closing prices at balance sheet date.

Fair values of financial instruments not listed in active markets are determined using specific valuation techniques and acknowledgments based on market information at the balance sheet date.

4. Transition to IFRS

4.1 Application of IFRS 1

The consolidated financial statements of the Group for the year ending 31 December 2005 will be the first annual financial statements in accordance with IFRS. The current interim consolidated financial statements have been presented as stated in note 2.1. The Group has applied IFRS 1 for the preparation of these interim consolidated financial statements.

The transition date for the Group to IFRS is 1 January 2004, the date when the Group prepared the opening balance sheet of the Group in accordance with IFRS. The present consolidated interim financial statements refer to the period between 1 January to 31 March 2005 that for IFRS purposes is considered 1 January 2005 for the Group.

For the compilation of the interim consolidated financial statements the Group adopted the exemptions in accordance with IFRS 1.

4.1.1 Exemptions for applying IFRS

The Group decided to apply the following exemptions for IFRS purposes:

- a) Business combinations: The Group decided not to adjust any business acquisitions prior to 1 January 2004 (transition date).
- b) Deemed cost: The Group considers as deemed cost for property held 1 January 2004 the fair value as at that date

4.2 Reconciliation between IFRS and Greek GAAP

The following tables show the effect to the Group from the transition to IFRS. The first schedule shows the reconciliation of equity as at 1 January 2004, 31 March 2004 and 31 December 2004, while the following tables show in detail the effect to:

- Net equity as at 1 January 2004
- Net equity as at 31 March 2004
- Net equity as at 31 December 2004
- Net profit as at 31 March 2004
- Net profit as at 31 December 2004

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4.2.1 Reconciliation net equity

	1 January 2004	31 March 2004	31 December 2004
Consolidated net equity (Greek GAAP)	1,199,703	1,225,078	1,273,166
Less: Minority interests	(59,382)	(67,836)	(27,550)
Total net equity attributable to shareholders of the Bank (Greek GAAP)	1,140,321	1,157,242	1,245,616
Allocation of profit 2003	41,664	40,765	-
Intangible assets write-off	(22,411)	(23,760)	(25,071)
Revaluation of property at fair value	199,996	195,206	(15,514)
Change in depreciation rates	-	1,969	1,184
Financial leases	14,410	13,791	15,531
Impairment of loans and advances	(104,597)	(112,362)	(89,745)
Provision for obligation to ETEAM	(712,000)	(712,000)	(712,000)
Effective interest rate for commission on loans (IAS 39)	(21,957)	(26,704)	(40,757)
Effective interest rate method for interest on loans (IAS 39)	3,175	4,171	7,998
Impairment of non consolidated subsidiaries (in liquidation)	(30,478)	(30,474)	-
Effect on consolidation for subsidiaries not consolidated	(30,662)	(34,503)	(44,618)
Revaluation difference associates	(22,786)	(25,094)	(12,419)
Impairment of available for sale assets	(20,874)	(20,874)	-
Revaluation available-for-sale securities	(25)	83	29
Impairment trading securities	(6,537)	8,855	3,308
Derivative financial assts at fair value	142	(15,996)	(386)
Income tax provision first quarter 2004	-	(6,277)	-
Tax on valuation of property	(7,641)	(8,864)	-
Employee benefit obligation	(16,804)	(16,521)	(18,240)
Change in own shares at cost	15,783	15,783	13,409
Write-off of costs on own shares	(52,033)	(54,422)	(43,859)
Other	(14,622)	(14,576)	(16,833)
Deferred tax assets	265,875	270,504	260,870
Deferred tax liabilities	(5,691)	(5,955)	(5,044)
Total adjustments	(528,073)	(557,255)	(722,157)
Consolidated net equity (IFRS)	612,248	599,987	523,459

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4.2.2 Balance sheet reconciliation 1 January 2004

	Greek GAAP	Effect on transition to IFRS	IFRS
ASSETS			
Cash and balances with Central Bank	432,483	(2,562)	429,921
Treasury bills	15,641	779	16,420
Due from banks	646,008	17,959	663,967
Trading securities	-	2,595,326	2,595,326
Derivative financial instruments – assets	-	142	142
Loans and advances to customers (net of provision)	12,030,355	233,814	12,264,169
Bonds and other fixed income securities	2,154,300	(2,154,300)	-
Shares and other variable income securities	382,662	(382,662)	-
Available-for-sale securities	-	159,622	159,622
Held-to-maturity securities	-	160,263	160,263
Investments in non-consolidated subsidiaries	93,424	(72,619)	20,805
Investment in associates	109,249	(87,694)	21,555
Intangible assets	61,406	(28,982)	32,424
Property, plant and equipment	529,037	(161,339)	367,698
Investment property	-	105,865	105,865
Deferred tax asset	-	269,196	269,196
Income tax advances	-	18,957	18,957
Other assets	433,398	105,272	538,668
Total assets	16,887,963	777,035	17,664,998
LIABILITIES AND EQUITY			
Liabilities			
Due to banks	1,290,514	32,805	1,323,319
Derivative financial instruments – liabilities	-	76,221	76,221
Due to customers	14,042,682	(19,382)	14,023,300
Debt securities	73	-	73
Due to pension funds scheme	-	712,000	712,000
Employee benefits	-	34,806	34,806
Other provisions	14,889	460,865	475,754
Other liabilities	340,102	(43,942)	296,160
Current tax liabilities	-	35,772	35,772
Deferred tax liabilities	-	6,006	6,006
Total liabilities	15,688,260	1,295,151	16,983,411
Equity			
Share capital	429,658	-	429,658
Share premium	278,392	-	278,392
Less: Own shares	(88,935)	(51,802)	(140,737)
Retained profit/ (loss)	261	(670,001)	(669,740)
Other reserves	524,415	190,260	714,675
Consolidation differences	(3,470)	3,470	-
Total equity	1,140,321	(528,073)	612,248
Minority interests	59,382	9,957	69,339
Total equity and minority interests	1,199,703	(518,116)	681,587
Total liabilities and equity	16,887,963	777,035	17,664,998

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4.2.3 Balance sheet reconciliation 31 March 2004

	Greek GAAP	Effect on transition to IFRS	IFRS
ASSETS			
Cash and balances with Central Bank	246,362	238	246,600
Treasury bills	116,256	(2,513)	113,743
Due from banks	851,521	21,165	872,686
Trading securities	-	3,477,892	3,477,892
Derivative financial instruments – assets	-	237	237
Loans and advances to customers (net of provision)	12,722,094	175,924	12,898,018
Bonds and other fixed income securities	2,862,968	(2,862,968)	-
Shares and other variable income securities	403,716	(403,716)	-
Available-for-sale securities	-	136,739	136,739
Held-to-maturity securities	-	31,276	31,276
Investments in non-consolidated subsidiaries	86,768	(68,052)	18,716
Investment in associates	103,537	(92,045)	11,492
Intangible assets	66,234	(39,425)	26,809
Property, plant and equipment	544,299	(174,589)	369,710
Investment property	-	108,791	108,791
Deferred tax asset	-	273,949	273,949
Income tax advances	-	18,957	18,957
Other assets	426,497	111,884	538,383
Total assets	18,430,252	713,746	19,143,998
LIABILITIES AND EQUITY			
Liabilities			
Due to banks	2,969,935	1,550	2,971,485
Derivative financial instruments – liabilities	-	55,510	55,510
Due to customers	14,036,982	(54,871)	13,982,111
Debt securities	-	114	114
Due to pension funds scheme	-	712,000	712,000
Employee benefits	-	32,284	32,284
Other provisions	16,265	(16,265)	-
Other liabilities	181,992	487,474	669,466
Current tax liabilities	-	42,920	42,920
Deferred tax liabilities	-	6,541	6,541
Total liabilities	17,205,174	1,267,257	18,472,431
Equity			
Share capital	429,658	-	429,658
Share premium	278,392	-	278,392
Less: Own shares	(88,935)	(54,422)	(143,357)
Retained profit/ (loss)	16,409	(691,799)	(675,390)
Other reserves	525,188	185,495	710,684
Consolidation differences	(3,470)	3,470	-
Total equity	1,157,243	(557,256)	599,987
Minority interests	67,836	3,744	71,580
Total equity and minority interests	1,225,078	(553,512)	671,567
Total liabilities and equity	18,430,252	713,745	19,143,998

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4.2.4 Balance sheet reconciliation 31 December 2004

	Greek GAAP	Effect on transition to IFRS	IFRS
ASSETS			
Cash and balances with Central Bank	644,168	610	644,778
Treasury bills	35,547	(1,678)	33,869
Due from banks	879,623	38,818	918,441
Trading securities	-	2,081,202	2,081,202
Derivative financial instruments – assets	-	249	249
Loans and advances to customers (net of provision)	13,327,524	237,763	13,565,287
Bonds and other fixed income securities	1,882,174	(1,882,174)	-
Shares and other variable income securities	109,067	(109,066)	-
Available-for-sale securities	-	248,562	248,562
Held-to-maturity securities	-	43,796	43,796
Investments in non-consolidated subsidiaries	40,163	(35,172)	4,991
Investment in associates	47,062	(25,776)	21,286
Intangible assets	64,130	(37,665)	26,465
Property, plant and equipment	745,968	(370,258)	375,710
Investment property	-	128,899	128,899
Deferred tax asset	-	262,937	262,937
Income tax advances	-	16,907	16,907
Other assets	460,262	(15,478)	444,784
Total assets	18,235,688	571,280	18,806,968
LIABILITIES AND EQUITY			
Liabilities			
Due to banks	806,735	(223)	806,512
Derivative financial instruments – liabilities	-	53,024	53,024
Due to customers	14,960,983	(32,759)	14,928,224
Debt securities	397,573	(1,152)	396,421
Other debt securities	348,850	(1,763)	347,087
Due to pension funds scheme	-	712,000	712,000
Employee benefits	15,595	16,527	32,121
Other provisions	33,398	430,379	463,777
Other liabilities	399,388	93,323	492,711
Current tax liabilities	-	12,932	12,932
Deferred tax liabilities	-	5,469	5,469
Total liabilities	16,962,522	1,287,757	18,250,279
Equity			
Share capital	485,435	-	485,435
Share premium	361,137	(88,955)	272,183
Less: Own shares	(88,935)	(43,858)	(132,793)
Retained profit/ (loss)	(176,912)	(610,038)	(786,950)
Other reserves	666,659	18,925	685,584
Consolidation differences	(1,768)	1,768	-
Total equity	1,245,616	(722,157)	523,459
Minority interests	27,550	5,681	33,231
Total equity and minority interests	1,273,166	(716,476)	556,690
Total liabilities and equity	18,235,688	571,280	18,806,968

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4.2.5 Reconciliation of income statement 31 March 2004

	Greek GAAP	Effect on transition to IFRS	IFRS
Interest income	224,154	(18,219)	205,935
Interest expense	70,921	1,587	69,334
Net interest income	153,233	(16,632)	136,601
Commission income	41,358	(987)	40,371
Commission expense	-	(11,039)	(11,039)
Net commission income	41,358	(12,026)	29,332
Dividend income	3,725	820	4,545
Net trading results	17,027	(3,140)	13,887
Gains less losses investment portfolio	-	(11,691)	(11,691)
Other operating income	3,148	681	3,829
Net insurance fees	-	54,535	54,535
Net operating income	218,490	12,548	231,038
Staff expenses	99,349	7,312	106,661
Depreciation	32,436	(20,392)	12,044
Impairment loans and advances	38,471	2,335	40,806
Other operating expenses	33,650	15,439	49,089
Total insurance claims	-	30,030	30,030
Total operating expenses	203,905	34,725	238,630
Extraordinary results	283	(283)	-
GAIN (LOSS) BEFORE TAXES	14,868	(22,462)	(7,594)
Net fee income from associates	-	(2,089)	(2,089)
GAIN (LOSS) BEFORE TAXES	14,868	(24,551)	(9,683)
Tax	-	2,829	(2,829)
GAIN / (LOSS) AFTER TAXES	14,868	(27,381)	(12,513)
Minority	1,540	1,106	2,646
NET GAIN/ (LOSS)	16,409	(26,275)	(9,866)

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4.2.6 Reconciliation of income statement 31 December 2004

	Greek GAAP	Effect on transition to IFRS	IFRS
Interest income	956,131	(79,174)	876,957
Interest expense	(306,578)	(1,381)	(305,207)
Net interest income	649,543	(77,793)	571,750
Commission income	162,636	(11,495)	151,142
Commission expense	(13,995)	3,430	(10,565)
Net commission income	148,641	(8,065)	140,576
Dividend income	5,881	736	6,616
Net trading results	16,509	4,049	20,558
Gains less losses investment portfolio	(30,879)	20,049	(10,830)
Other operating income	13,886	23,196	37,082
Net insurance fees	-	193,407	193,407
Net operating income	803,581	48,029	959,159
Staff expenses	(424,677)	(35,678)	(460,355)
Depreciation	(129,706)	89,822	(39,884)
Impairment loans and advances	(161,348)	21,263	(140,086)
Other operating expenses	(139,634)	(159,373)	(299,007)
Total operating expenses	(855,366)	(83,965)	(1,044,963)
Extraordinary results	3,033	(3,033)	-
GAIN (LOSS) BEFORE TAXES	(48,752)	(37,052)	(85,804)
Net fee income from associates	-	(8,226)	(8,226)
GAIN (LOSS) BEFORE TAXES	(48,752)	(45,278)	(94,030)
Tax	(23,452)	4,292	(19,160)
GAIN / (LOSS) AFTER TAXES	(72,204)	(40,986)	(113,190)
Minority interests	5,161	4,032	9,193
NET GAIN/ (LOSS)	(67,043)	(36,954)	(103,997)

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5. Geographical segment

The following table depicts the geographical segment of the Group's assets, liabilities, income and net profit in accordance with IAS 14.

	31 March 2005		31 December 2004	
	Total Assets	Total Liabilities	Total Assets	Total Liabilities
Greece	18,009,728	16,919,845	18,136,482	17,129,929
Southeast Europe	403,854	313,463	374,970	234,331
Other countries	287,636	874,811	295,518	886,019
Total	18,701,218	18,108,119	18,806,970	18,250,279

	A' Quarter 2005		A' Quarter 2004	
	Income	Net income	Income	Net income
Greece	341,363	257,642	300,115	222,805
Southeast Europe	10,631	7,962	6,904	4,458
Other countries	12,678	3,753	4,392	3,774
Total	364,672	269,357	311,411	231,037

The Group operates in 3 geographical areas. Greece is the country that Emporiki Bank has its main operations.

Countries in Southeast Europe consists of Romania, Bulgaria, Albania and Cyprus. Its main operations relate to retail and investment banking.

Other countries where the Group operates include Germany, Georgia, Armenia and United Kingdom where retail banking is the main operation.

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	1/1 - 31/3 2005	1/1 - 31/3 2004
6. Net interest income		
Interest income		
Cash and short-term funds	9,936	6,116
Bonds/ Treasury bills	20,184	20,246
Lending securities and reverse repos	392	996
Loans and advances	211,692	178,577
Other interest income	375	-
	242,579	205,935
Interest expense		
Banks and customers	68,711	61,540
Debt securities	6,456	-
Securities and repos	3,338	7,776
Other borrowing funds	7,147	18
	85,652	69,334
Net interest income	156,927	136,601
7. Net commission income		
Commission income		
Lending	9,045	7,095
Working capital	2,369	6,744
Letters of guarantee	3,509	3,448
Credit cards	5,777	5,947
Imports – Exports	1,840	2,284
Mutual Funds	3,856	3,525
Other commissions	14,786	11,328
	41,182	40,371
Commission expenses		
Credit card commissions	1,582	1,502
Commissions form subsidiary banks and other companies	-	-
Other	8,082	9,537
	9,664	11,039
Net commission income	31,518	29,332

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8. Dividend income	1/1 - 31/3 2005	1/1 - 31/3 2004
Trading portfolio	374	4,229
Available-for-sale portfolio	6	316
Total dividend income	380	4,545

9. Net trading results	1/1 - 31/3 2005	1/1 - 31/3 2004
Net profit from foreign exchange valuation	4,211	1,142
Net profit/(loss) from foreign exchange transactions	2,290	(858)
Net profit from sale and valuation of bonds	2,110	27,108
Net profit from sale and valuation of shares and other variable yield securities	6,446	15,783
Net loss from sale and valuation of derivatives	(8,290)	(28,401)
Net loss from units sale and valuation of mutual funds	(1,642)	(887)
Net trading results	5,125	13,887

10. Gains less losses of investment portfolio	1/1 - 31/3 2005	1/1 - 31/3 2004
Net profit/ (loss) from unit linked investments	6,437	(2,640)
Net profit from sale and valuation of bonds	-	14
Net loss from sale and valuation of shares and other variable yield securities	(5)	(9,065)
Total result investment portfolio	6,432	(11,691)

11. Net fee from insurance operations	1/1 - 31/3 2005	1/1 - 31/3 2004
Life insurance	28,533	16,014
General insurance	36,713	38,521
Net fee from insurance operations	65,246	54,535

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12. Total insurance claims

The amount of insurance claims paid include claims payable to insurance policy holders as well as the movement in technical and other reserves that were established by Phoenix Metrolife Emporiki and Emporiki Life.

13. Staff expenses	1/1 - 31/3 2005	1/1 - 31/3 2004
Salaries and wages	67,230	73,198
Social security cost	11,495	13,365
Defined contribution post employee plans	16,895	16,604
Other benefits	4,587	3,494
Total staff expenses	100,207	106,661

Total personnel of the Group as at 31 March 2005 consists of 7,883 people compared to 8,575 as at 31 March 2004.

14. Other operating expenses	1/1 - 31/3 2005	1/1 - 31/3 2004
Fees and third party expenses	6,554	6,109
Third parties allowances	7,255	7,601
Insurance fees	785	872
Taxes and duties	1,469	3,341
Other expenses	26,774	31,166
Total of other operating expenses	42,837	49,089

15. Income tax	1/1 - 31/3 2005	1/1 - 31/3 2004
Provision for current year	10,719	7,046
Deferred tax (Note 38)	2,629	(4,216)
Total income tax	13,348	2,830

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16. Earnings per share	1/1 - 31/3 2005	1/1 - 31/3 2004
Profit attributable to shareholders of the Bank (in € thousands)	24,493	(9,866)
Average number of shares (excluding own shares)	82,767,887	79,782,003
Gain/ (Losses) per share (in €)	0.30	(0.12)

Basic earnings per share is calculated on profit attributable to the Bank's shareholders and the weighted average of shares outstanding during the year after deducting own shares issued.

17. Cash and balances with the Central Bank	31/03/05	31/12/04
Cash	216,165	235,316
Deposits at Central Bank excluding deposits for liquidity purposes	121,798	176,188
Cheques receivables – Central Bank clearing office	5,649	1,171
Included as cash and cash equivalents (Note 39)	343,612	412,675
Compulsory deposits with Central Bank	172,280	232,103
Total cash and balances with the Central Bank	515,892	644,778

18. Treasury bills	31/03/05	31/12/04
Hellenic republic treasury bills	29,445	27,773
Other countries treasury bills	5,154	6,096
Treasury bills	34,599	33,869

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19. Due from banks

	31/03/05	31/12/04
Cheques receivables	43,412	4,910
On demand	7,533	1,553
Placements in other banks	1,032,315	686,808
Reverse Repos	5,492	59,556
Other amounts due	-	37,022
Included as cash and cash equivalents (Note 39)	1,088,752	789,849
Loans and borrowings with other banks	160,812	128,592
Due from banks	1,249,564	918,441

20. Trading securities

	31/03/05	31/12/04
Trading portfolio securities		
Bonds issued by Hellenic Republic (Note 39)	1,009,020	1,531,153
Bonds issued by other countries (Note 39)	259	-
Other issuers bonds	300,961	493,535
	1,310,240	2,024,688
Listed shares	36,384	36,524
Non listed shares	20	96
Mutual funds	-	19,894
Total	36,404	56,514
Trading securities	1,346,644	2,081,202

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21. Derivative financial instruments

	31/03/05			31/12/04		
	Contract/ Nominal value	Fair value		Contract/ Nominal value	Fair value	
		Assets	Liabilities		Assets	Liabilities
a) Currency derivatives						
Currency forwards	714,362	9,868	9,810	1,209,546	-	2,153
Currency swaps	307,049	-	794	386,994	-	7,554
Total		9,868	10,604		-	9,707
b) Interest rate derivatives						
Interest rate swaps	1,825,594	-	12,331	2,262,414	105	27,461
Exchange traded interest rate futures	275,000	-	2,312	366,000	-	15,221
Total		-	14,643		105	42,682
c) Index options						
OTC index options	54,555	272	753	19,207,794	144	635
Total		272	753		249	635
Total derivative financial instruments		10,140	26,000		249	53,024

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22. Loans and advances to customers (net of provision)	31/03/05	31/12/04
Loans to individuals		
Overdrafts	3,338	3,193
Credit cards	380,512	371,933
Term loans (including consumer loans)	1,068,078	1,026,670
Housing loans	3,638,549	3,461,069
Other loans	409,598	435,256
	5,500,075	5,298,121
Loans to legal entities		
Corporates	7,335,385	7,194,256
Syndicated loans	169,213	168,423
State and public companies	393,162	400,142
Financial leases	1,130,110	458,674
Other	59,772	62,834
Other loans (bonds)	-	595,444
	9,087,642	8,879,773
Loans and advances to customers	14,587,718	14,177,894
Less: Provisions for impairment losses on loans and advances	(640,790)	(612,607)
	13,946,927	13,565,287
Floating interest rate	13,420,700	13,043,662
Fixed interest rate	1,167,017	1,134,231
Total	14,587,718	14,177,894
Impairment losses for loans and advances		
Movement in impairment on loans and advances		
Balance 1 January	612,607	487,741
Movement in provision for the period	28,183	124,866
Balance 31 March/ 31 December	640,790	612,607

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23. Available for sale securities	31/03/05	31/12/04
Available-for-sale securities at fair value		
Bonds issued by Hellenic public	29,899	29,928
Bonds issued by other countries	1,341	2,405
Other issuers bonds	1,320	93
Listed shares	28,803	16,562
Non listed shares	32,000	39,327
Mutual funds units	160,911	160,247
Available-for-sale securities	254,274	248,562

24. Held-to-maturity securities	31/03/05	31/12/04
Held-to-maturity securities at fair value		
Bonds issued by Hellenic public	17,877	17,981
Bonds issued by other countries	4,336	13,174
Other issuers bonds	10,866	1,448
Held-to-maturity securities	33,079	32,603

25. Investment in subsidiaries (non consolidated)

The following subsidiaries were excluded from consolidation based on materiality:

A/A	Επωνυμία
1	Phoenix A.E. Financial Intermediaries
2	Emporiki Media EPE
3	Historical Archives
4	METEK AE
5	Banking Development Training and Research Center A.E.
6	Metrolife AEGA
7	IPNG GROUP AE
8	ELVIO AE
9	Total Care AE

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26. Investments in associates

The most significant associates of the Group are as follows:

A/A	Name	Country of incorporation	% of participation at 31.03.2005	% of participation at 31.12.2004
1	ALPHA GRAPHICS FRACHISE DEVELOPMENT	GREECE	49.00%	49.00%
2	INDUSTRY OF PHOSPHORIC FERTILIZERS	GREECE	44.21%	44.21%
3	MEDIAFON	GREECE	25.00%	15.00%
4	PROPINDEX	GREECE	22.58%	22.58%
5	INCURIAM INVESTMENT LTD	CYPRUS	20.00%	20.00%
6	ICAP	GREECE	20.00%	20.00%
7	EULER HERMES EMPORIKI	GREECE	46.44%	46.44%
8	CHARALAMBIDES DAIRIES	CYPRUS	20.00%	20.00%

27. Intangible assets

	Software
1 January 2004	
Cost	83,482
Accumulated depreciation	(51,258)
Net book value	32,224
31 December 2004	
Net book value opening	32,224
Additions/ Disposals	449
Additions/ Disposals depreciation for the period	(6,208)
Net book value	26,465
31 December 2004	
Cost	83,930
Accumulated depreciation	(57,466)
Net book value	26,464
3 months- 31 March 2005	
Net book value opening	26,464
Additions/ Disposals Μεταβολή	17
Additions/ Disposals depreciation for the period	(3,735)
Net book value closing	22,746
31 March 2005	
Cost	83,947
Accumulated depreciation	(61,201)
Net book value	22,746

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28. Property, plant and equipment

	Land, buildings and leasehold improvements	Other fixed assets	Total
1 January 2004			
Cost	291,382	199,716	491,098
Accumulated depreciation	-	(123,400)	(123,400)
	291,382	76,316	367,698
Net book value			
31 December 2004			
Net book value opening	291,382	76,316	367,698
Additions/ Disposals	6,055	17,257	23,312
Additions/ Disposals depreciation for the period	(3,076)	(12,224)	(15,300)
Net book value	294,361	81,348	375,710
31 December 2004			
Cost	297,437	216,974	514,411
Accumulated depreciation	(3,076)	(135,625)	(138,701)
	294,361	81,348	375,710
3 months- 31 March 2005			
Net book value opening	294,361	81,348	375,710
Additions/ Disposals	1,630	2,005	3,634
Additions/ Disposals depreciation for the period	(733)	(3,928)	(4,661)
Net book value closing	295,258	79,425	374,683
31 March 2005			
Cost	299,067	218,978	518,046
Accumulated depreciation	(3,809)	(139,553)	(143,362)
Net book value	295,258	79,425	374,683

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29. Investment property

	Land	Buildings and equipment	Total
1 January 2004			
Cost	75,510	30,355	105,865
Accumulated depreciation	-	-	-
Net book value	75,510	30,355	105,865
31 December 2004			
Net book value opening			
Additions/ Disposals	75,510	30,355	105,865
Additions/ Disposals depreciation for the period	-	24,386	24,386
Net book value	-	(1,352)	(1,352)
	75,510	53,389	128,899
31 December 2004			
Cost			
Accumulated depreciation	75,510	54,471	130,251
	-	(1,352)	(1,352)
Net book value	75,510	53,389	128,899
3 months- 31 March 2005			
Net book value opening	75,510	53,389	128,899
Additions/ Disposals	-	-	-
Additions/ Disposals depreciation for the period	-	(340)	(340)
Net book value closing	75,510	53,049	128,559
31 March 2005			
Cost	75,510	54,741	130,251
Accumulated depreciation	-	(1,692)	(1,692)
Net book value	75,510	53,049	128,559

30. Other assets

	31/03/05	31/12/04
Accrued expenses	41,619	32,744
Accrued income	83,586	77,913
Other	353,125	334,127
	478,330	444,784

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31. Due to banks	31/03/05	31/12/04
Borrowings from banks	373,575	716,301
Current accounts	43,026	88,571
Other liabilities	6,224	1,640
	422,825	806,512
32. Due to customers	31/03/05	31/12/04
Deposits from legal entities		
Current accounts	1,341,809	1,201,789
Term deposits	1,910,169	1,440,643
Repurchase agreements	522,912	769,508
	3,774,890	3,411,940
Deposits from individuals		
Current accounts	405,311	513,715
Term deposits	3,817,468	3,347,601
Saving accounts	7,028,888	7,235,199
Sale and repurchase agreements (Repos)	23,268	309,827
	11,274,934	11,406,341
Cheques and remittances payable	101,692	109,942
	15,151,516	14,928,224
Fixed interest rate	6,273,816	5,867,578
Floating interest rate	8,776,008	8,950,703
Total deposits	15,049,824	14,818,281

Fixed rate deposits include term deposits and repos in euro and foreign currency. The remaining amounts are floating.

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33. Debt securities

	31/03/05	31/12/04
Debt securities	396,447	396,348
Other credit titles	73	73
	<u>396,520</u>	<u>396,421</u>

Emporiki Group Finance PLC, issued a Euro 400,000,000 floating rate note (3 month Euribor + 0.30%) that matures in July 2007.

Other credit titles of Euro 73,358.76 refer to a mature obligation that Emporiki Bank accepted in order to pay bank bonds issued by Investment Bank.

34. Other debt securities

	31/03/05	31/12/04
Subordinated notes	348,232	347,087
	<u>348,232</u>	<u>347,087</u>

The notes refer to:

The issue of subordinated notes by Emporiki Group Finance PLC as at 5 August 2004, with a face value of Euro 350,00,00. The notes are floating (3 month euribor + 0.75%) and are seven year and Emporiki Bank is the guarantor.

35. Obligations to pension funds schemes

The Bank intends to comply with the requirements of the recently published law "Capital Market Issues and other requirements". According to this law as interpreted by the legal department of the Bank and taking into consideration the results of the financial study performed by the independent actuaries, the estimated cost of compliance is € 1,108 million.

Based on these facts, the Bank disclosed in the financial statements a respective obligation amounting to € 712 million. In addition, the Bank in compliance with the above law (article 59, paragraphs b and c) will pay within the next accounting years increased social security contributions for its employees in order to meet its future obligations to ETEAM. The present value of these additional contributions including the value of TEAPETE assets to be transferred is estimated to be € 396 million.

The above law specifies that final amounts due by each credit institution will be subsequently adjusted by a new law issued by the respective ministry that will rely on the results of "specialized actuarial studies".

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36. Other provisions

	31/03/05	31/12/04
PHOENIX METROLIFE insurance and technical reserves	480,371	462,449
Other provisions	-	1,328
	480,371	463,777

37. Other liabilities

	31/03/05	31/12/04
Dividends payable	2,354	2,858
Accrued expenses and deferred income	178,829	202,349
Other	326,309	287,504
	507,492	492,711

38. Deferred tax assets/ liabilities

Deferred tax is calculated on all temporary differences based on the liability method and the expected tax rate.

Deferred tax assets and liabilities arise from:

	31/03/05	31/12/04
Deferred tax assets		
Intangible assets write-off	6,325	6,988
Impairment of loans and receivables	30,150	29,625
Provision over expenses related to ETEAM social security	197,000	197,000
Commissions recognition based on effective interest rates	11,669	11,534
Impairment of investments at companies under clearing process	9,752	9,752
Provision for staff expenses	3,426	3,989
Other temporary tax differences	2,883	4,049
	261,205	262,937
Deferred tax liabilities		
Property goodwill	2,748	2,748
Commissions recognition based on effective interest rates	2,791	2,425
Buildings reduced depreciation rates	517	296
Financial leases	310	-
	6,366	5,469
Net deferred tax assets	254,839	257,438

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The movement of deferred tax assets and liabilities through the income statement is:

	31/03/05	31/12/04
Deferred tax (period's results)		
Intangible assets variation	(663)	1,012
Impairment of loans and receivables	525	3,476
Commission recognition based on real interest rates	135	3,616
Provision for staff expenses	(1,538)	3,019
Buildings reduced depreciation rates	(409)	(312)
Announcement of new tax rates	-	(16,014)
Other temporary tax differences	(679)	(519)
	(2,629)	(5,722)

39. Contingent liabilities and commitments

	31/03/05	31/12/04
Letters of guarantee	1,562,688	1.607.311
Contingent liability from the provision of credit limits	8.141.960	7,959,135
	9.704.648	9,566,446

40. Share capital

	Number of shares	Share capital	Share premium reserve	Own shares	Total
Balance 1 January 2004	85,931,676	429,659	278,392	(140,737)	567,314
Merger of Emporiki Investment Bank AE	124,451	622	2,026	-	2,648
Merger of Emporiki Investment A.E.E.X	2,204,851	11,024	35,895	-	46,919
Shares nominal value increase from € 5 to € 5.5	-	44,130	(44,130)	-	-
Own shares decrease	-	-	-	7,944	7,944
31 December 2004/ 1 January 2005	88,260,978	485,435	272,183	(132,793)	624,825
Own shares decrease	-	-	-	20,529	20,529
31 March 2005	88,260,978	485,435	272,183	(112,264)	645,354

The share capital of the Bank, fully paid amounts to € 485,435,379 and is divided to 88,260,978 shares of nominal value € 5.50 each.

The number of own shares as at 31 March 2005 amounts to 5,307,636 and represents 6.01% of the total number of shares.

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41. Cash and cash equivalents

For cash flow purposes cash and cash equivalents includes the following accounts that have a maturity up to 3 months from the date of purchase.

	31/03/05	31/12/04
Cash and balances with Central Bank (Note 17)	343,612	412,675
Treasury securities (Note 18)	34,599	33,869
Due from banks (Note 19)	1,088,753	789,849
Trading portfolio (Note 20)	1,009,279	1,531,153
	2,476,243	2,767,546

42. Related party transactions

	31/03/05	31/12/04
BOD fees	297	2,417
Deposits	18,948	20,756
Loans	79,610	80,367
	98,855	103,540

Deposits and loans refer to members of the Board of Directors and their immediate family and companies they control or influence.