





Report on  
our Corporate Social Responsibility

April 2003

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## Foreword by the Chairman

Our first and foremost obligation and duty is to create value, by providing products and services which economy and society need, and to safeguard our corporate interests. In this way we ensure profits for our shareholders, jobs and prosperity for society. We also acknowledge that entrepreneurial success is sustainable when it is linked to a responsible attitude towards our shareholders, customers and personnel, towards the general public which we address through our products and services, and towards the natural environment around us.

A responsible attitude towards our shareholders means that we maximise the enterprise's value and, at the same time, safeguard its long-term interests. It also means that we provide, beyond financial statements, a range of information on the Bank's operation that is as broad as possible, enabling our shareholders to better identify success and risk factors.

A responsible attitude towards our employees means that we fully respect human rights and the right to work, and that we provide secure working conditions, care and support for personnel, an equal-opportunity working environment, and continuous education and training.

A responsible attitude towards our customers means that we serve them in a manner characterised by transparency, professionalism and business ethics.

A responsible attitude towards the general public means that the pursuit of maximisation of our corporate value does not take place to the detriment of the general public, but that we instead try to also contribute to maximising societal prosperity.

A responsible attitude towards the natural environment means that we take care to ensure that the operation of the Bank does not hypothecate the prosperity of future generations.

We acknowledge that a socially responsible enterprise is one that strikes a balance between all the above elements, in response to the financial, social and environmental interests of its shareholders, customers and employees, as well as of the general public. A socially responsible enterprise is characterised by satisfied shareholders, dedicated and experienced personnel, and pleased and loyal customers; it is respected by the general public; and, above all, it is the enterprise itself that governs its own reputation.

Such an enterprise meets the key parameters and conditions that allow it to improve its competitiveness, productivity and sustainable profitability. Thus, profitability and corporate social responsibility are converging concepts.

Emporiki Bank has a long track record of socially responsible initiatives. In today's environment, we acknowledge that the parties concerned wish to obtain, beyond financial statements, more information which will enable them to better formulate their options. In response to this requirement, we publish the present report and place it at the disposal of our shareholders, of our customers, of our personnel and of the general public, urging all of us involved to integrate the concept of social responsibility in our operations and in the choices that we all make.

**Ioannis Ath. Stournaras**

Chairman of the Board of Directors and Managing Director



Our identity

## **A look to the past**

In 1886, that is 107 years ago, Grigorios Empedoklis established in Athens a personal company with the title "Gr. Empedoklis Banking Office." Ten years later, in 1896, the company was changed into a limited partnership, with the business name "Grigorios Empedoklis Bank." In 1907, the "Grigorios Empedoklis Bank" was again changed into a Société Anonyme with the business name "Commercial Bank of Greece SA"; this new company, led by Grigoris Empedoklis, was listed in the Athens Stock Exchange and started its operation as of 1/1/1908.

Since then, in the course of its course over nearly 100 years, Emporiki Bank has been operating without interruption, expanding its activities, increasing its financial figures, adapting itself to developments in its environment and playing a leading role in Greek economy and in the country's development.

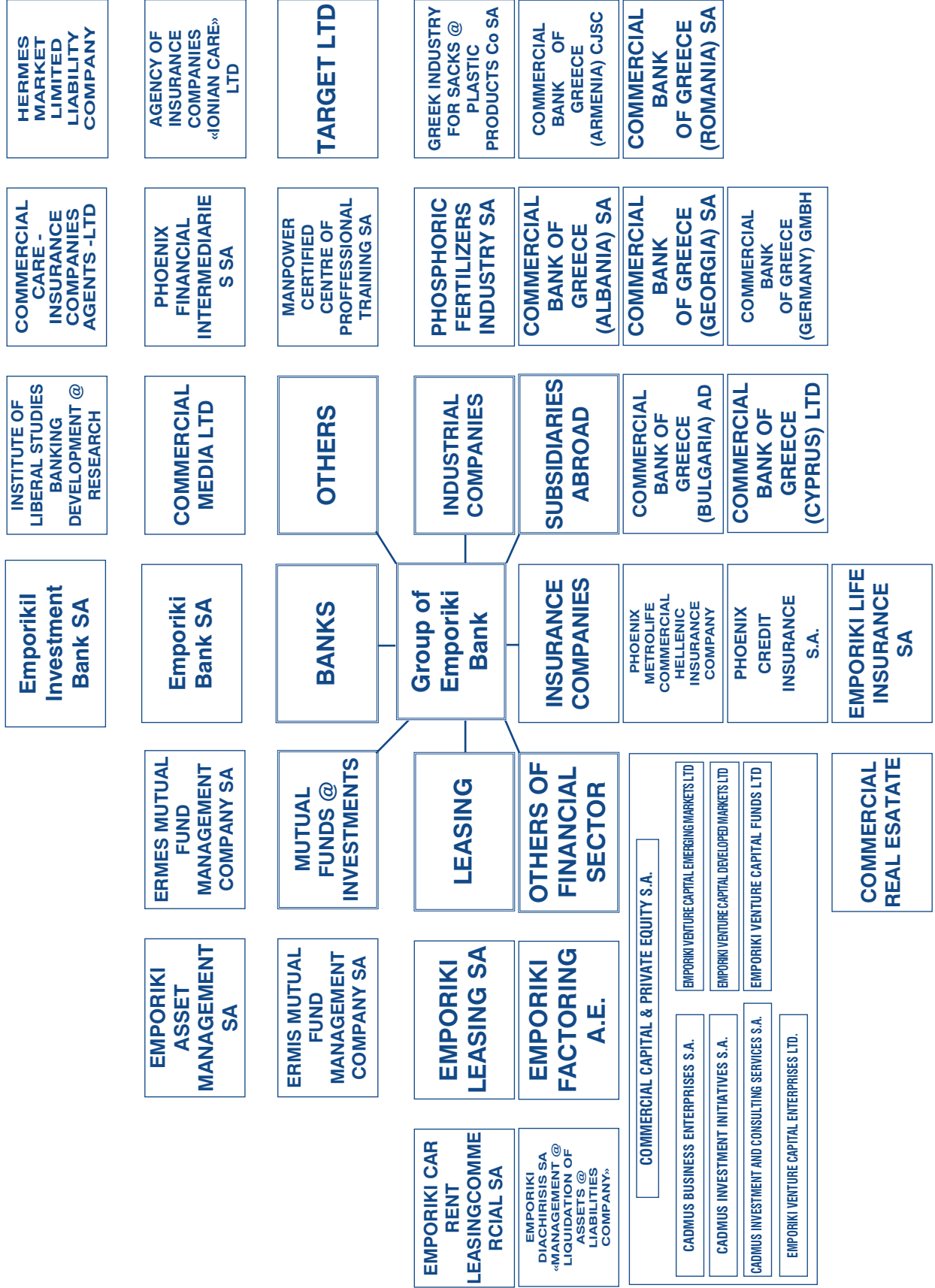
## **The Emporiki Bank Group**

Today, the Emporiki Bank Group is composed of 38 companies, mainly in the financial sector. The Group has a workforce of 7679 employees and is characterised by strong capital adequacy. The Group's ANNUAL INFORMATION BULLETIN, submitted pursuant to the provisions of Decision No. 5/2047/14.11.2000 of the Capital Market Commission, contains a detailed report on the strategy, activities and results of the Group companies. Furthermore, the ANNUAL REPORT by the Chairman of the Board of Directors of the Bank on the Balance Sheet, submitted to the General Meeting of the Bank's Shareholders, provides detailed information on the strategy, activities and financial results of the Bank.

## **Our principles**

Our corporate goals are served guided by the following key principles:

- Full compliance with the regulatory framework concerning banking operations, with the rules laid down by the Capital Market Commission and with the labour legislation, as well as with formal procedures regarding decision-making and internal operating regulations.
- Transparency and integrity.
- Professionalism in the provision of services to our customers.
- Respect for the natural environment.
- Responsibility towards the general public.
- Respect for cultural differences, personal dignity, equal opportunities and the rights of individuals.
- Formal dialogue between the Management and the leadership of the employees' trade union.



## KEY FIGURES FOR THE BANK AND THE GROUP 2001-2002 (in EUR million)

	Group		Bank	
	2002	2001	2002	2001
<b>Assets</b>				
Net loans and advances to customers	10,168.6	8,736.5	9,791.9	8,441.0
Bonds, bills and other fixed-yield securities <sup>1</sup>	4,359.1	5,479.4	4,109.9	5,268.9
<b>Total assets</b>	<b>16,891.4</b>	<b>18,143.1</b>	<b>16,448.3</b>	<b>17,721.2</b>
<b>Liabilities</b>				
Amounts due to customers	13,296.3	13,593.4	13,152.0	13,429.3
Own funds	1,220.4	1,973.4	1,255.2	2,014.0
<b>Number of employees</b>				
	7,679	7,604	6,898	6,912
<b>Results</b>				
Net interest income	560.8	509.5	467.6	429.2
Net fee and commission income	145.7	140.3	130.8	125.3
Gross operating income	767.2	875.7	667.5	893.8
Staff costs	357.1	342.3	329.9	324.1
Total costs <sup>2</sup>	592.0	558.1	477.1	461.6
Net earnings (before tax)	89.6	243.2	118.2	374.0
Net earnings (after tax and minority rights)	52.2	146.3	86.2	282.8
<b>Assessment of Corporate Social Responsibility</b>				
EIRIS			FTSE4GOOD	FTSE4GOOD
SAM / Dow Jones Sustainability Indexes				
<b>Profitability and efficiency ratios</b>				
Net interest margin (%)	3.2	3.0	2.7	2.6
Return on average assets (ROAA) (%) <sup>3</sup>	0.5	1.4	0.7	2.2
Return on average equity (ROAE) (%)	5.6	12.1	7.2	19.4
Efficiency ratio (Operating expenses <sup>4</sup> over operating income <sup>5</sup> ) (%)	68.4	70.9	73.7	77.6
<b>Capital adequacy (%)</b>				
Tier-1 <sup>6</sup>	10,3 <sup>7</sup>	17,1	10,8	17,7
<b>Credit ratings</b>				
	Long-term		Short-term	
Standard & Poor's	BBB-		A-3	
Moody's	Baa1		P-2	
FITCH-IBCA	BBB+		F2	

<sup>1</sup> Refers to the sum of "Bonds and Other Fixed-Yield Securities" and "Treasury Bills and Other Securities Eligible for Refinancing with the Central Bank".

<sup>2</sup> Total costs are defined as the sum of general administrative expenses, depreciation and other operating expenses.

<sup>3</sup> The return on average assets and on average equity are calculated on the basis of pre-tax profits over average assets and average equity using averages of end of year figures.

<sup>4</sup> Operating expenses are defined as general administrative expenses (staff costs and other administrative expenses).

<sup>5</sup> Operating income is defined as the sum of net income from interest and commissions.

<sup>6</sup> For CBG, the aggregate capital adequacy ratio coincides with the basic capital adequacy ratio (Tier-1).

<sup>7</sup> Estimate.



## Our Corporate Governance

For Emporiki Bank, the System of Corporate Governance as a concept encompasses all practices and rules that ensure the Bank's smooth and transparent operation, the protection of its shareholders, the interests of its customers, the satisfaction of its employees, and the sense of responsibility towards the society within which we operate. In this framework, the governance of Emporiki Bank relies on formal tools and procedures, such as: a number of management systems covering all of the Bank's lines of business; specialised Internal Auditing Department; Audit Committee; Asset & Liability Management Committee; system for monitoring the subsidiaries of the Group; Personnel Regulations; Institutional Council; participation of Board of Directors in Committees and Institutional Council; on-going dialogue with the interested parties, etc.

### **Role of the Board of Directors**

Emporiki Bank is governed by a Board of Directors, whose members are elected by the Shareholders' General Meeting by secret vote and absolute majority. The tenure of the members of the Board of Directors has a duration of four years, and Board Directors can be re-elected. The responsibilities of the Board of Directors are set out in detail in the Articles of Association of the Bank. In summary, the Board of Directors meets at least once a month and decides on all matters concerning the administration of the Bank, the management of its property and the pursuit of its corporate goals in general.

### **Mission of the Board of Directors**

The primary obligation and duty of the Board of Directors is to constantly pursue the goals of enhancing the long-term financial value of Emporiki Bank and of safeguarding general corporate interests.

### **Composition of the Board of Directors**

The Board of Directors is composed of fifteen (15) members, of which thirteen (13) are men and two (2) are women. It is pointed out that election of the independent members of the Board of Directors, pursuant to the provisions of Laws 3016/17.5.2002 and 3091/24.12.2002 on corporate governance, shall take place in the Shareholders' General Meeting to be held in 2003. However, on the basis of the criteria as provided for by the aforementioned Laws, out of the 15 current members of the Board of Directors four (4) are executive members, i.e. are involved on a day-to-day basis with the Management of the Bank, while the remaining eleven (11) members are non-executive members, charged with promoting all corporate matters. Of the non-executive members, four (4) are independent members, as specified by the legislation, i.e. during their tenure they do not participate by more than 0.5% in the share capital of the Bank and they do not have any relation of dependence with the Bank or with persons associated with the Bank. In addition, of the eleven (11) non-executive members, two (2) are elected personnel representatives. Finally, two of the Board Directors are French and thirteen are Greek.

### **The fifteen members of the Board of Directors are the following:**

1. Ioannis A. Stournaras – Chairman of the Board & Managing Director
2. Georgios I. Michelis – Vice-Chairman of the Board & General Manager
3. Dimitrios D. Frangetis – General Manager
4. Panagiotis D. Alexopoulos
5. Theodora G. Antonopoulou

6. Gerasimos E. Voudouris
7. Fokion F. Dimakakos – personnel representative
8. Konstantinos S. Kastrinakis
9. Le Masson Michel of Jean-Francois (\*)
10. Georgios K. Moutsopoulos
11. Andreas P. Bekiaris – personnel representative
12. Andronike E. Boumi
13. Ioannis D. Nikolaou
14. PerronJean-Luc of Henry
15. Georgios K. Spiliopoulos

### **Avoiding conflict of interests**

The Articles of Association of Emporiki Bank (article 32) prohibit members of the Board of Directors, General Managers and Managers of the Bank from engaging in a professional capacity, on behalf of either themselves or of third parties, in acts that come under one of the purposes sought by the Bank, or from participating as general partners in companies pursuing such purposes.

### **Our shareholders**

The share capital of the Bank amounts to EUR 427,258,940 and is divided into 85,451,788 shares. Emporiki Bank is a multi-shareholder corporation and no controlling majority interests exist in its share capital. On 31.12.2002, the Bank numbered 64892 shareholders. All Bank shareholders are entitled to participate in the Shareholder's General Meeting. Each share gives right to one vote. The number of votes of each shareholder is equal to the number of shares held by that shareholder. The Bank complies fully with the legislation in force concerning protection of shareholders' rights. Moreover, the Bank adopts all measures necessary and advisable for timely provision of information to its shareholders on significant corporate matters. Two special Bank departments, the Corporate Announcements Department and the Shareholders' Service Department, have as their sole task to inform and serve our shareholders.

The 20 largest shareholders own in total 54.869% of the Bank's share capital, with participations ranging from 0.651% to 9.409% of the Bank's share capital. More in detail, on 31.12.2002 the list of the 21 largest shareholders of the Bank was as follows:

*(\*) Ο κ. Michel Le Masson (Μισέλ Λε Μασσόν) αντικατέστησε στις 27/05/2002 τον κ. Christian Besse του Clement Roger Maurice (Κριστιάν Μπερς του Κλεμάν Ροζέ Μωρίς), ο οποίος παραιτήθηκε την ίδια ημερομηνία.*

<b>No.</b>	<b>Surname / Business Name</b>	<b>(%)</b>
1	PUBLIC TRANSFERABLE SECURITIES COMPANY S.A.	9.409
2	CAISSE NATIONAL DE CREDIT AGRICOLE	8.982
3	LABOUR FORCE EMPLOYMENT ORGANISATION (OAED)	5.578
4	EMPORIKI BANK OF GREECE S.A.	5.313
5	AGRICULTURAL INSURANCE ORGANISATION (OGA)	4.979
6	COMMERCIAL BANK PERSONNEL INSURANCE FUND – WELFARE BRANCH	4.242
7	SOCIAL SECURITY FOUNDATION – SALARIED PERSONNEL SUPPLEMENTARY INSURANCE FUND (IKA-TEAM)	2.067
8	AEGEAN FINANCE S.A.	2.055
9	COMMERCIAL BANK PERSONNEL INSURANCE FUND – SICKNESS BRANCH	1.723
10	MEDICAL PERSONNEL PENSION AND SELF-INSURANCE FUND	1.438
11	HERMES DYNAMIC GREEK EQUITY FUND	1.285
12	ENGINEERS' AND PUBLIC WORKS CONTRACTORS' PENSION FUND (TSMEDE)	1.064
13	PHARMACEUTICAL EMPLOYEES' SUPPLEMENTARY INSURANCE FUND	0.991
14	MERCHANTS' INSURANCE FUND – PENSION BRANCH	0.861
15	EMPORIKI BANK PERSONNEL SUPPLEMENTARY INSURANCE FUND	0.766
16	PHOENIX METROLIFE EMPORIKI COMMERCIAL INSURANCE S.A.	0.737
17	BANK OF GREECE AND MORTGAGE BANK PERSONNEL PENSION FUND	0.712
18	STICHTING PENSIOENFONDS ABP	0.699
19	COMMERCIAL SHOPS' EMPLOYEES' SUPPLEMENTARY INSURANCE FUND – PENSION BRANCH	0.666
20	SHAREHOLDERS' FUND OF PUBLIC SERVANTS	0.651
21	HOTEL EMPLOYEES' INSURANCE FUND	0.651
	<b>TOTAL:</b>	<b>54.869</b>

### **Participation of members of the Board of Directors in Committees and Institutional Councils**

The executive and non-executive members of the Board of Directors participate in Committees and Institutional Councils, in order to ensure effective Management of the Bank. More in particular, the members of the Board of Directors participate:

- In the Audit Committee
- In the Asset & Liability Management Committee
- In the Complaints Council
- In the Disciplinary Council

### **Audit of Annual Financial Statements**

The auditors of the Bank's Annual Financial Statements for the financial period ended on 31.12.2002 are Mr Stylianos M. Xenakis, Mr Georgios K. Ksenoktistakis and Mr Nicolaos E. Vouniseas from KPMG KYRIAKOY CERTIFIED AUDITORS S.A. These auditors were appointed by the General Meeting of the Shareholders of the Bank and are remunerated as provided for by the legislation, while their appointment, including their identity particulars, was publicised.

During the financial period ended on 31.12.2002, the auditors monitored the Bank's accounting and

administration practices, having at their disposal all books, accounts or documents used by the Bank, which also include the minutes of the General Meeting of the Shareholders and of the meetings of the Board of Directors.

The duty of the auditors is to audit the Annual Financial Statements of the Bank, in order to report their findings to the shareholders, at the Shareholders' Regular General Meeting. On the basis of the auditors' report, the following should be clearly established: first, whether the annual Financial Statements reflect the financial position of the Bank as at the date on which the financial period audited has ended; and, second, whether the Profit & Loss Account reflects the results accrued during the aforementioned accounting period.

Moreover, the auditors' report must also state:

- Whether the auditors were supplied with all information necessary for performing their task.
- Whether they obtained knowledge of the full report on the activities of the Bank's branches.
- Whether the inventory valuation method applied was modified in comparison with the previous financial period.

### **Internal Auditing**

Emporiki Bank has available a full-blown Internal Auditing System (IAS), composed of a set of auditing mechanisms and auditing procedures. The IAS covers all activities of the Bank and contributes to its efficient and secure operation. The goals and key principles governing the IAS, as well as the system's organisational structure and operating procedures conform to international rules and practices. The Audit Division, staffed with experienced specialist personnel, lies outside the Bank's hierarchy and reports directly to the Chairman of the Board of Directors.

The Audit Division comprises three sections: General Audit Section, Credit Financing Audit Section, and IT Systems Audit Section. The Audit Division reports directly the findings of the audits that it conducts to the Audit Committee and to the Chairman of the Board of Directors.

During 2002, a total of 592 audits were performed, as follows:

- **Credit Financing Audit Section:**

- A total of 217 Branches, representing 63.9% of the Bank's total credit financing activities, were audited. The audits regarded the application of the Credit Financing system. These audits established a satisfactory improvement in the portfolio security, liquidity and quality criteria applied.

- An additional 12 audits were also conducted, in relation to the investigation of special cases.

- **General Audit Section:**

- A total of 262 Branches, i.e. 70.24% of the total number of Branches, were audited regarding application of all management systems.

- A total of 12 executive units were audited (including Risk Management, Dealing Room etc.) regarding application of the corresponding management systems.

- An additional 55 special-purpose audits were also conducted, in relation to the investigation of special cases.

- **IT Systems Audit Section:**

- A total of 26 audits were performed in the Bank's IT systems.

- The IT Systems of 5 subsidiaries in the financial sector were also audited.

## Assessment and management of the risks undertaken

Risk undertaking and management represents the business activity through which value is created for our shareholders. Our approach to the risks undertaken is connected to our mission, goals and strategies. Emporiki Bank is mainly exposed to the following risks:

- Market risk, i.e. the risk resulting from uncertainty in the changes of interest rates, in foreign currency exchange rates and in stock market prices.
- Credit risk, i.e. the risk associated with the probability of the countersigning party in a loan agreement defaulting on his obligations.
- Operating risk, i.e. the risk that may result from non-application or inadequate application of internal systems or from human error or from unforeseen external factors.

The Asset & Liability Management Committee specifies, monitors and controls the distribution of the Bank's funds, the relationship between the risk undertaken and the efficiency of capital, as well as the interest rates offered by the Bank. Relying on the support provided by modern EDP systems, the Bank estimates, assesses and manages the risks that it undertakes, always ensuring a strong capital adequacy.

### EVOLUTION OF CAPITAL ADEQUACY (2000-2002)

(regulated capital over risk-weighed assets)

	(in EUR million)		
	31/12/2000	31/12/2001	31/12/2002
<b>EMPORIKI BANK</b>			
Regulated capital	1,812.3	1,921.5	1,215.4
Total risk-weighed assets	9,342.5	10,838.6	11,239.3
<b>Capital adequacy ratio (%)</b>	<b>19.4%</b>	<b>17.7%</b>	<b>10.81%</b>

It should be pointed out here that the decline observed in the capital adequacy ratio between 31.12.2001 and 31.12.2002 is mainly due to a reduction in capital as a result of the write-off of losses from the valuation of share, bonds, mutual funds, participations and derivative products portfolios.



Provision of detailed information to the market

Emporiki Bank sees to it that full information is provided to the market about its strategy, about the results of its activities and about its products. Our shareholders, customers, and investors were informed through special-purpose publications, corporate announcements, Press releases and interviews, as well as through the information provided on the Bank's corporate web site and through the organisation of presentations in a number of cities.

The following are special-purpose publications that provide information:

- **"Annual Report by the Chairman of the Board of Directors of the Bank on the Balance Sheet for Year 2002"**: This report is published in the Greek and in the English language, and provides a detailed presentation of activities and financial results for financial year 2002.

- **"Annual Bulletin" for financial year 2002**: This is submitted to the Capital Market Commission, in accordance with the provisions in force, and its aim is to provide more complete information to shareholders, investors and investment advisers. This publication presents all information and financial data necessary for assessing the Bank's financial position, financial results and prospects.

- **"Securities and Real Estate Property under Bank ownership as at 31.12.2002"**: With this publication, the Bank provides information on Bank-owned securities, i.e. debentures and other fixed-yield titles, shares and other variable-yield titles, and participations of the Bank in companies. In addition, this publication also lists the real estate property items owned by the Bank for which the Bank is the also the occupant, together with those for which it is not.

Finally, we have provided information to the market in the following ways:

- Through 76 corporate announcements entered in the Athens Stock Exchange (ASE) Daily Price List, concerning various corporate matters.
- Through 43 Press Releases published in daily newspapers and in periodicals.
- Through 5 presentations organised for informing audiences about the strategy of the Bank and of the Group, held in Dublin, in the ASE, and in Alexandroupolis, Patras and Athens.
- Through numerous interviews given by the Management to daily financial newspapers and to specialist financial market periodicals.
- Through information leaflets.
- Through advertisements in the daily press.



We win the respect and the trust of our customers

We serve our customers through a network of 373 branches, 611 ATMs, 12 AEMs, 12 exchange bureaus, 82 Kiosks and 27,969 Point of Sales (POS) terminals, as well as over the Internet.

We are constantly striving to listen to our customers and honour their trust. We examine their financial needs and pay attention to the things that they point out to us. We aim to serve our customer's financial needs with the utmost professionalism, and to follow-up and settle their complaints. In this context, during 2002 the Bank continued its efforts to win the preference, trust and loyalty of its customers.

### **Retail Banking**

**In the market of Small and Medium-sized Enterprises (SMEs)**, the total volume of credit financing to SMEs registered an increase by 21.15% during 2002. In addition, in order to meet the needs of individual segments within the market of SMEs, the Bank expanded the products and services offered, by introducing the "easy business" open business loan, by creating the Interex.gr web site, by organising or participating in 15 syndicated loans to SMEs, and by its appointment as support body for actions targeted to SMEs in the framework of the 13 Regional Operational Programmes under the 3rd Community Support Framework (CSF III). All the above actions contributed to improved access by SMEs to funding.

**In the market of private customers**, the Bank met the requirements and wishes of Greek households:

- by granting a total of 16,500 new housing loans, registering an increase by 26% in the number of housing loans;
- by granting 60,000 new personal and consumer loans;
- by issuing 45,000 new cards; and
- by offering the SMILE series of bankassurance products, which are specially designed to offer confidence and security to Greek households.

The "PEGASUS" project, which becomes fully operational as of August 2003, is an integrated programme aimed at radically transforming and reorganising the retail banking activities of the Bank, a multi-faceted tool which will enable the Bank to:

- Install a new system for customer relations management. The system provides for customer segmentation on the basis of distinct individual needs of each customer segment, and for the provision of a large variety of financial products and services characterised by the capacity for tailor-made adaptations per customer, by a set of standardised products, by competitive pricing and by quick and friendly personal service.
- Redesign its branches following a system of three distinct zones for the services provided to clients, depending on their needs, in an ultra-modern and pleasant environment.
- Establish a new standard in the business and commercial operation of branches.
- Simplify procedures.
- Strengthen the role of alternative channels in the provision of services to the public. It is interesting to note that subscriptions to Internet Banking Services increased from 3,500 at the beginning of 2002, to over 65,000 at the year-end.

### **Corporate Banking**

The Bank has been very active in the provision of services for meeting specialised needs of large corporations, construction companies, shipping companies and State-Owned Enterprises and Public Entities. For us, managing the needs of our customers has been a strategic choice. We have met the

differentiated needs of our customers through the offer of an integrated range of services.

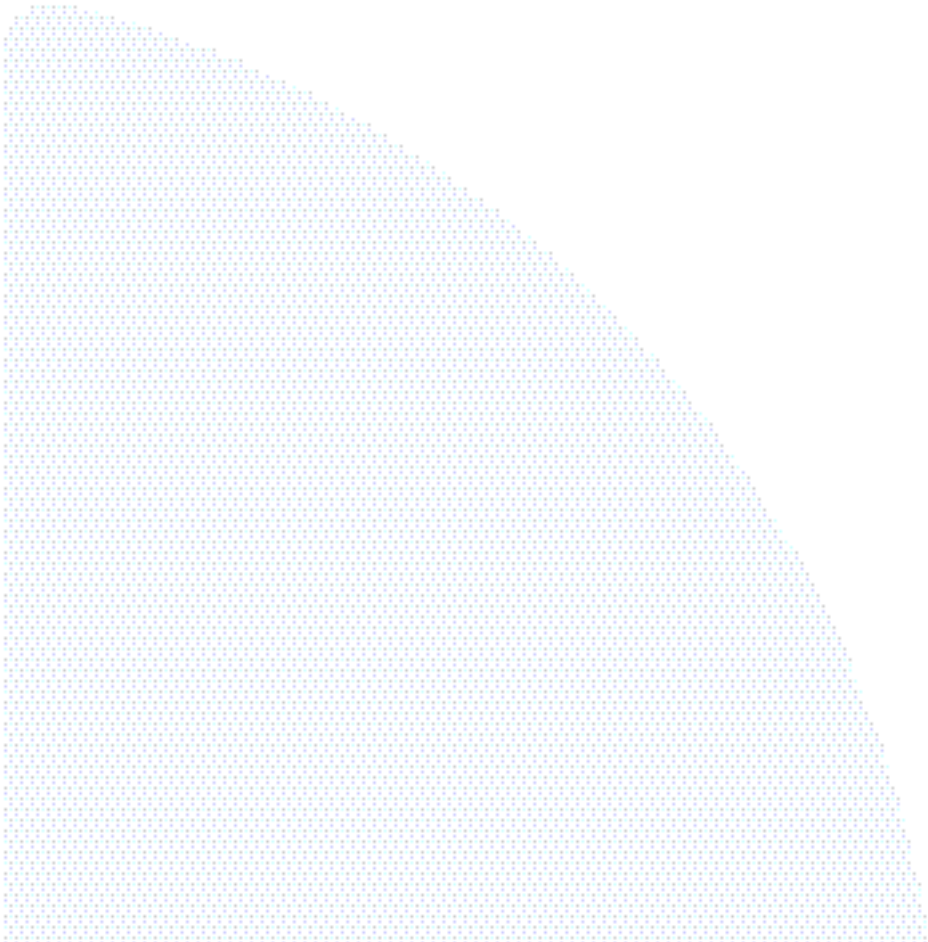
### **Ethics codes**

Transactional relations with our customers rely on transparency, sincerity and mutual trust. In its relations with customers, the Bank applies the "Code of Banking Ethics" of the Hellenic Bank Association, as well as the "Voluntary Code of Conduct for pre-contractual information on home loans", ratified by European consumer organisations and European credit sector associations.

### **We follow-up the complaints of our customers**

We follow-up and settle the complaints made by our customers. Every private customer may submit, either in person or in writing, his/her complaints, and receives a reply by the Management of the Branch. If it is not possible to arrive, together with the customer, to a mutually acceptable solution at the level of the Branch, then the Management of the Branch delivers to the customer the form "Private Customer Complaint Form", recommending that this be sent to the special Customer Complaints Service of the Bank. The special Complaints Service examines the information in the complaint and replies to the customer, within ten working days. During 2002, a total of 620 complaints from customers were submitted to the Bank, all of which have been resolved. More in detail, the distribution of complaints by area of activity was as follows:

- Deposits: 209 complaints.
- Loans: 126 complaints.
- Payments (cards, cheques, teller transactions etc.): 198 complaints
- Transferable securities: 11 complaints
- Other banking operations (payroll payments, pensions etc.): 76 complaints





Our Personnel is a valuable asset

Emporiki Bank has the benefit of experienced and dedicated personnel, which represents a valuable asset for the Bank. We acknowledge the decisive contribution that our people make to achieving the goals of the Bank. For this reason, we seek to continuously improve the methods employed in the administration and management of our personnel. Using modern, scientific methods, we take care to constantly assess the climate prevailing in labour relations, with the aim to upgrade and modernise the systems used in the management of human resources. The procedures concerning the installation of an integrated Human Resources Management System (HRMS) are already in their completion stage.

At the same time, the Management of the Bank seeks to maintain the dialogue with the Employees' Union, in order to resolve differences and address the challenges arising. The Personnel Regulation, the sectoral collective agreements, the operational labour agreements and the other bilateral agreements with the Employee's Union, are the cornerstones of our dialogue towards ensuring the Bank's smooth and efficient operation.

### **Equal Opportunities**

Emporiki Bank exercises its business activity with full respect for cultural differences, personal dignity and the rights of individuals. Recruitment, promotion, training, placement in responsibility positions, and transferring of personnel takes place on the basis of qualifications, skills and capabilities. Having transparency, meritocracy and equal treatment as our guiding principles for all personnel, we look forward to higher levels of effectiveness and efficiency, coupled with a higher satisfaction of employees.

An Advisory Equal Opportunities Committee, composed of equal numbers of representatives of the Management and of the Employees' Union of the Bank, operates within the Bank. The composition, scope of activities and targets of the Equal Opportunities Committee have been specified on the basis of sectoral Collective Labour Agreements, as well as from the Operational Agreement for year 1996 concluded between the Employees' Union and the Bank.

## **Composition of personnel**

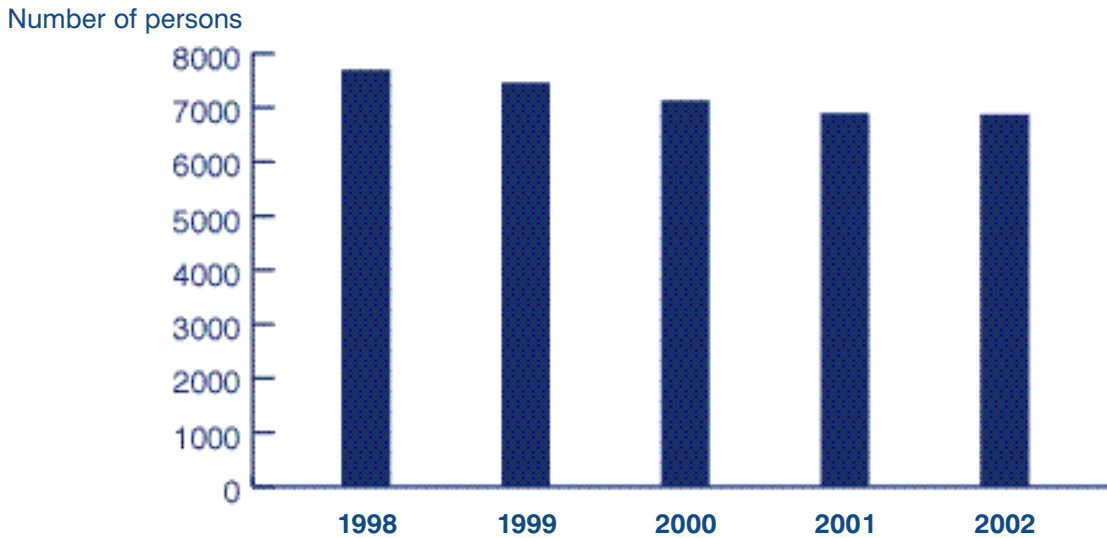
On 31.12.2002, the human resources of the Bank consisted of 6,876 full-time employees<sup>1</sup>. In the course of recent years, the total number of personnel exhibits a declining trend (Table 1), which is the result of the policy for curtailing operating costs and improving productivity indices.

**TABLE 1: EVOLUTION OF HUMAN RESOURCES**

<b>YEAR</b>	<b>TOTAL</b>
1998	7.690
1999	7.465
2000	7.129
2001	6.890
2002	6.876

*1. Δεν συμπεριλαμβάνονται οι 22 συμβάσεις εργασίας με τοπικό προσωπικό στα καταστήματα του Λονδίνου και της Κύπρου.*

**Graph 1: Evolution of Human Resources over time**



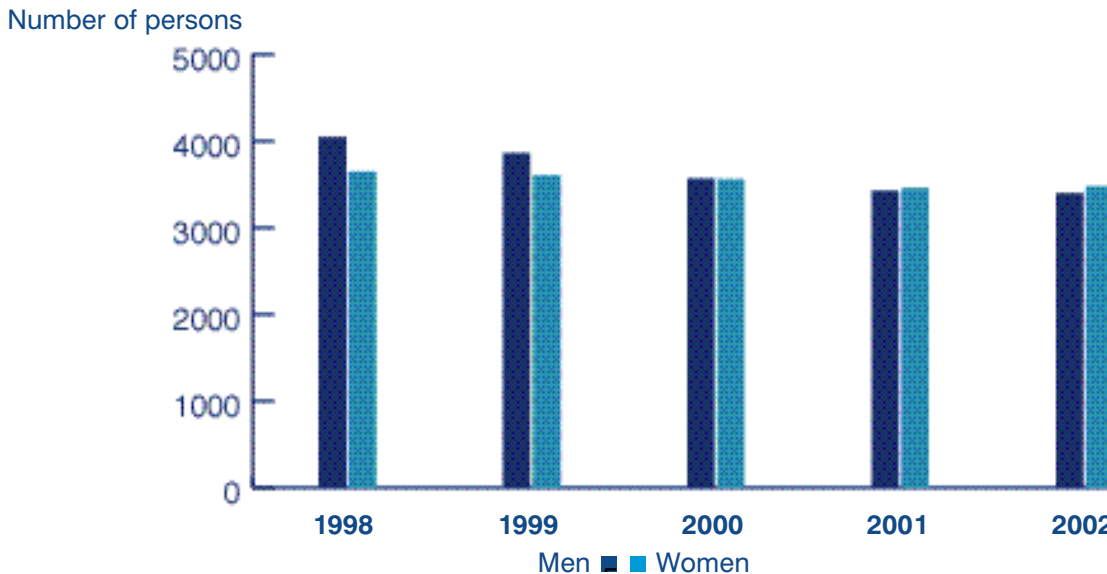
**Personnel composition by sex**

In 2002, men accounted for 49.4% of all personnel, with women accounting for 50.6% (Table 2). Participation of women in the composition of personnel is exhibiting a slight increase during recent years.

**TABLE 2: COMPOSITION OF HUMAN RESOURCES OVER TIME**

YEAR	MEN	%	WOMEN	%	TOTAL
1998	4,042	52.6%	3,648	47.4%	7,690
1999	3,861	51.7%	3,604	48.3%	7,465
2000	3,566	50.0%	3,563	50.0%	7,129
2001	3,431	49.6%	3,459	50.2%	6,890
2002	3,397	49.4%	3,479	50.6%	6,876

**Graph 2: Personnel breakdown by sex**



### Gradual renewal of personnel: Recruitment – Departures from service

During 2002, the Bank hired 280 new full-time employees, against a total of 294 employees who left the organisation (Table 3).

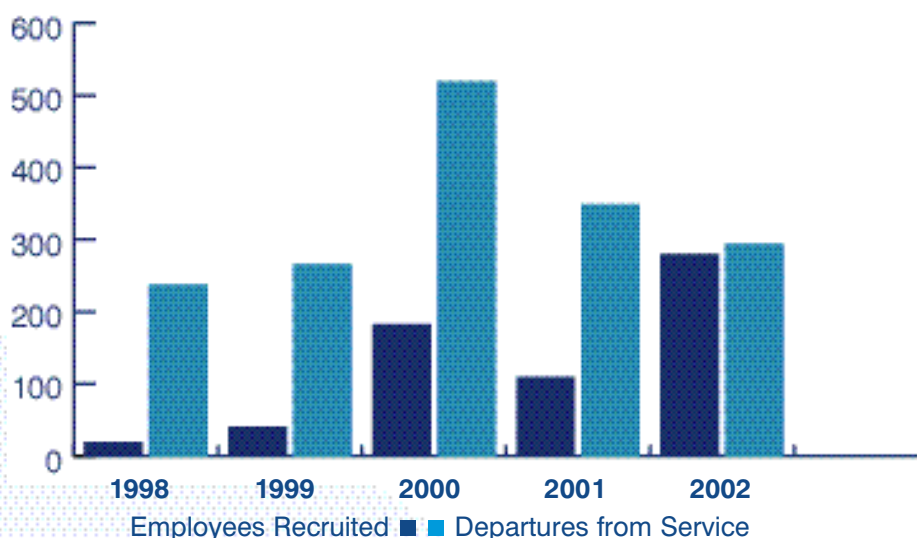
In the context of implementing the policy on renewal of personnel, vacation of regular positions and curtailment of operating costs, during 2002 the Bank offered special incentives for voluntary termination of service. Of the 294 employees who left the organisation, 113 represented voluntary terminations of service under these special incentives, a figure corresponding to 1.65% of all personnel for 2002.

**TABLE 3: RECRUITMENT – DEPARTURES FROM SERVICE OVER TIME**

YEAR	EMPLOYEES RECRUITED	VOLUNTARY TERMINATION OF SERVICE	VOLUNTARY TERMINATION OF SERVICE OVER TOTAL PERSONNEL	TOTAL DEPARTURES FROM SERVICE
1998	20	61	0,79 %	238
1999	41	116	1,55 %	266
2000	183	207	2,90 %	519
2001	110	116	1,68 %	349
2002	280	113	1,65 %	294

**Graph 3: Recruitment – Departures from service (1998-2002)**

Number of persons



### Average age

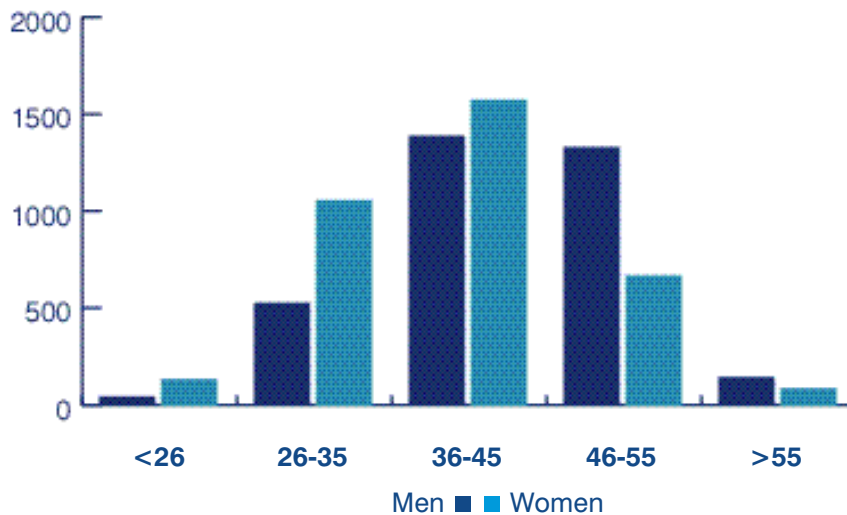
The average employee age is currently 41.2 years (Table 4). The increased participation of women in younger ages reflects recruitment, which as a rule is conducted through examinations and, in all cases, without sex discrimination. More in particular, the average age for upper-management executives is 44.1 years, and for the rest of the personnel is 38.9 years. These indices were influenced by the Bank's policy on the renewal of its executive personnel, implemented through the placement of younger executives in responsibility positions.

**TABLE 4: AGE COMPOSITION OF PERSONNEL BY SEX**

AGE	MEN	WOMEN	TOTAL
< 26	38	125	163
26-35	519	1,048	1,567
36-45	1,380	1,565	2,945
46-55	1,323	662	1,985
> 55	137	79	216

**Graph 4: Age composition of personnel by sex**

Number of persons



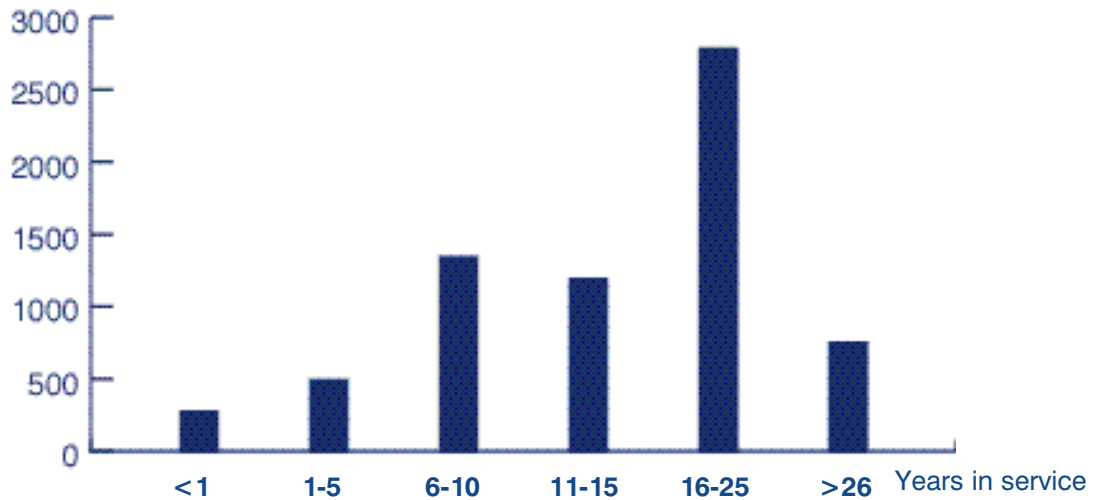
Regarding the years in service (Graph 5), it is pointed out that the largest proportion of employees (40.6%) has a service record between 16 and 25 years.

**TABLE 5: PERSONNEL BREAKDOWN BY YEARS IN SERVICE**

YEARS IN SERVICE	EMPLOYEES	%
< 1	280	4.07%
1-5	498	7.24%
6-10	1,348	19.60%
11-15	1,199	17.44%
16-25	2,793	40.62%
> 25	758	11.02%

**Graph 5: Personnel breakdown by years in service**

Number of persons



**Assignment of personnel to job positions**

In assigning personnel to job positions, the emphasis is placed on strengthening the network, since this is where customers are directly served (Table 6). The majority of employees (69.4%) work in the

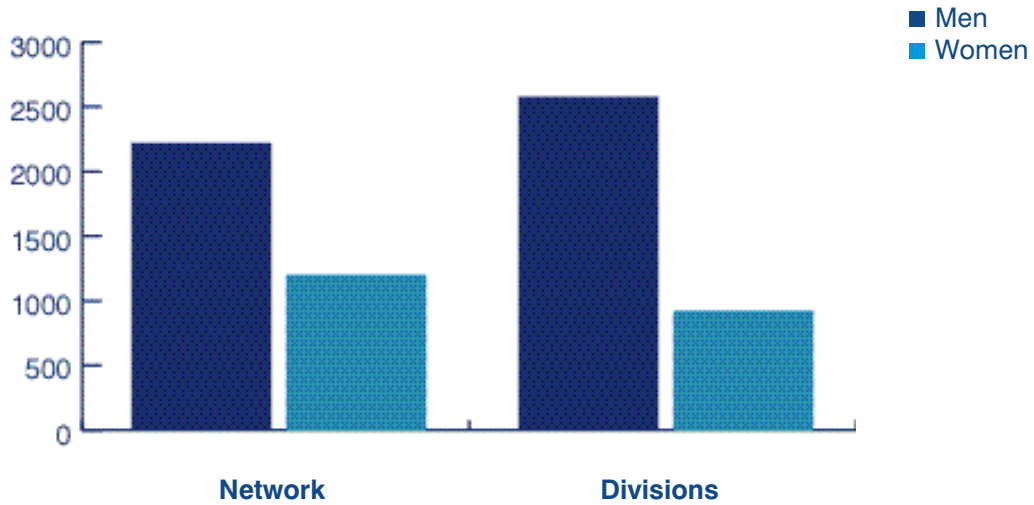
Bank's Branch Network, while 29.9% of employees work in executive units and network support units.

**TABLE 6: PERSONNEL BREAKDOWN BY SEX AND JOB POSITION**

WORK	MEN	WOMEN	TOTAL
NETWORK	2,206	2,566	4,772
DIVISIONS	1,191	913	2,104
TOTALS	3,397	3,479	6,876

**Graph 6: Personnel breakdown by sex and job position**

Number of persons



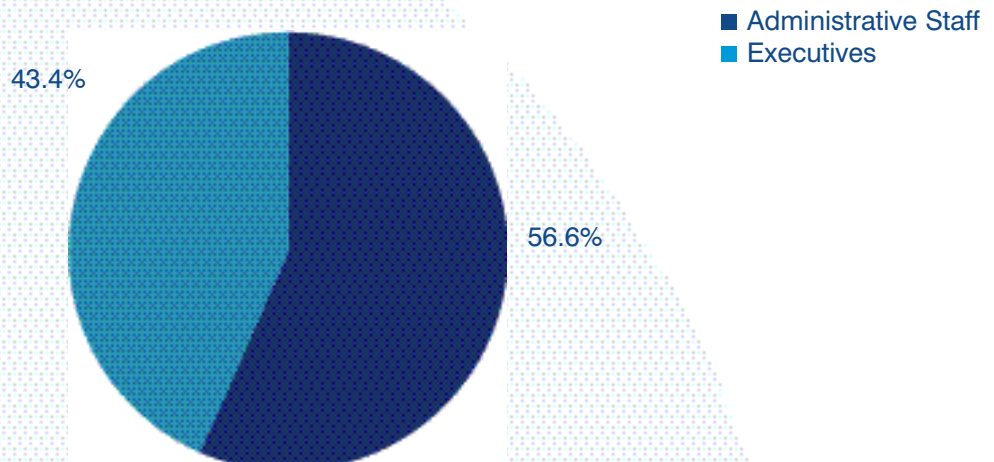
**Executives**

For 2002, executives accounted for 43.4% of all human resources. This high level reflects the allocation of responsibilities.

**TABLE 7: EXECUTIVES – ADMINISTRATIVE STAFF BREAKDOWN BY SEX**

WORK	MEN	WOMEN	TOTAL
EXECUTIVES	1,745	1,236	2,981
ADMINISTRATIVE STAFF	1,652	2,243	3,895
TOTALS	3,397	3,479	6,876

**Graph 7: Percent share of executives and administrative staff in total personnel**



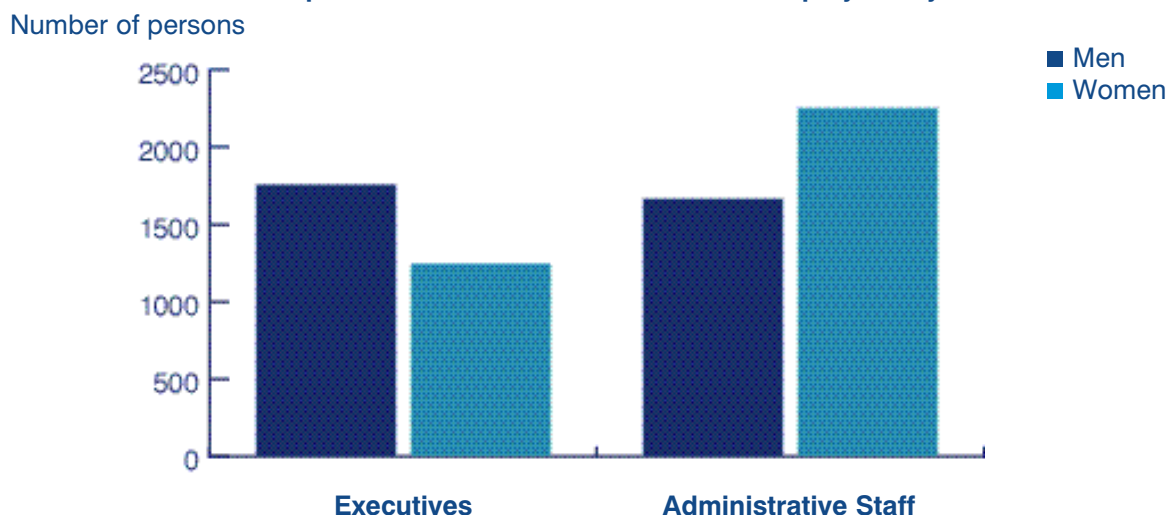
### Participation of women in responsibility positions

The participation of women in responsibility positions is gradually increasing across all management levels. We do acknowledge, however, that the corresponding percentages must be improved. In 2002, the participation of women in responsibility positions accounted for 41.5% of all executives, compared to 32% five years ago (Table 8). In January 2003, the European Network of Greek Women Journalists, in the context of the Community Programme "Now You Now", awarded to Emporiki Bank a certificate of achievement in recognition of its improved performance in promoting women to responsibility positions.

**TABLE 8: PARTICIPATION OF MEN AND WOMEN IN RESPONSIBILITY POSITIONS**

	<b>MEN</b>	<b>WOMEN</b>
1998	68%	32%
2000	65%	35%
2002	59%	41%

**Graph 8: Breakdown of executives and employees by sex**



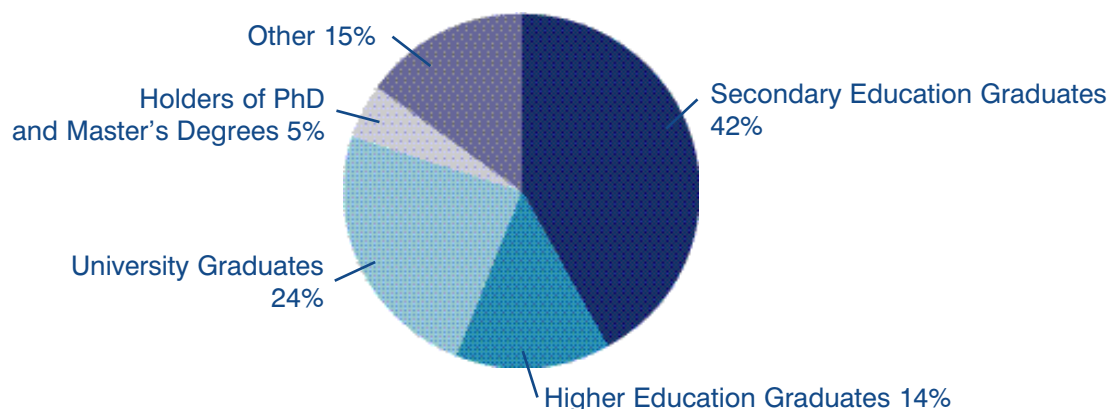
### Educational level of personnel

Emporiki Bank places special emphasis on promoting the educational level of its employees, by recruiting executives with a high educational level, as well as by encouraging bank officers to participate in courses of study. As a result of this policy, 43.3% of the Bank's employees hold Higher Education, University and post-graduate Degrees.

**TABLE 9: EDUCATIONAL LEVEL OF PERSONNEL**

<b>EDUCATIONAL LEVEL</b>	<b>MEN</b>	<b>WOMEN</b>	<b>TOTAL</b>	<b>%</b>
Holders of PhD and Master's Degrees	214	125	339	5%
University Graduates	802	858	1,660	24%
Higher Education Graduates	532	435	967	14%
Secondary Education Graduates	1,396	1,514	2,910	42%
Other	453	547	1,000	15%
<b>TOTAL</b>	<b>3,397</b>	<b>3,479</b>	<b>6,876</b>	<b>100%</b>

**Graph 9: Educational level of personnel**



## Caring for our personnel

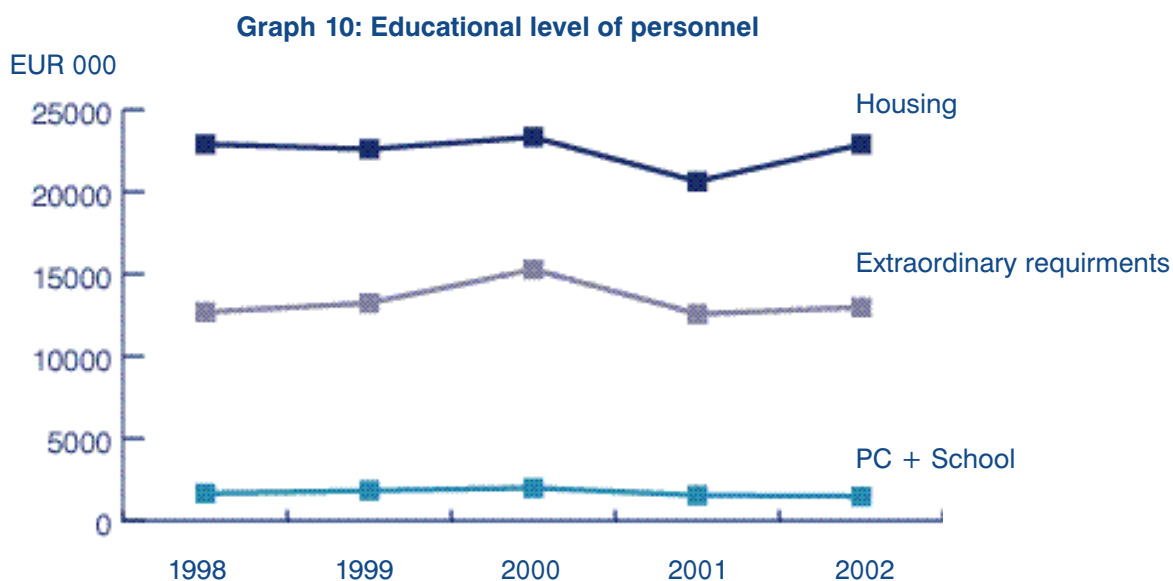
Emporiki Bank takes care of, and supports, its people and their families, through a personnel support policy that includes:

### Loans

During 2002, the Bank granted EUR 37.3 million in loans to its personnel under favourable terms. More in particular, the Bank approved applications for 279 housing loans (EUR 22.9 million), 2,338 loans to cover extraordinary requirements (EUR 12.9 million), 122 loans for the purchase of PCs (EUR 215,000), and 1,783 interest-free loans for covering school expenses (EUR 1.2 million)

**TABLE 10: LOANS TO EMPLOYEES AND PENSIONERS OF THE BANK (in EUR 000)**

YEAR	HOUSING LOANS	LOANS TO COVER EXTRAORDINARY REQUIREMENTS	PC+SCHOOL LOANS	TOTAL
1998	22.891	12.685	1.652	37.228
1999	22.597	13.222	1.824	37.643
2000	23.319	15.283	1.994	40.596
2001	20.630	12.570	1.546	34.746
2002	22.875	12.971	1.481	37.327

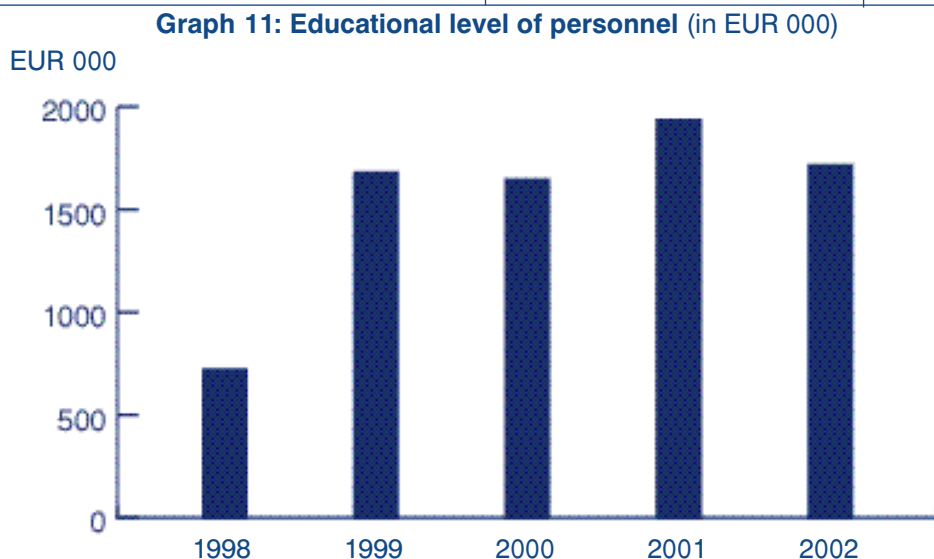


#### Supplementary medical care

The Bank places special emphasis on the protection of the health of its employees. During 2002, allowances for supplementary medical treatment amounted to EUR 1.1 million. Moreover, EUR 619,000 were spent for covering travel and hospital expenses abroad for employees and pensioners of the Bank.

**TABLE 11: SUPPLEMENTARY MEDICAL CARE EXPENSES** (in EUR 000)

YEAR	Supplementary medical treatment expenses	Hospital expenses abroad	TOTALS
1998	698	28	726
1999	1,294	389	1,683
2000	933	715	1,648
2001	1,127	812	1,939
2002	1,100	619	1,719



### Health services

The Bank has set up and fully equipped a special area to accommodate Health Services (Surgery and Dentist's Surgery), where employees are provided with first-degree medical and dental treatment. Two Doctors and two Dentists offer their services in this area, on a full-time basis. Total expenditure by the Bank for the operation of Health services during 2002 amounted to EUR 228,500.

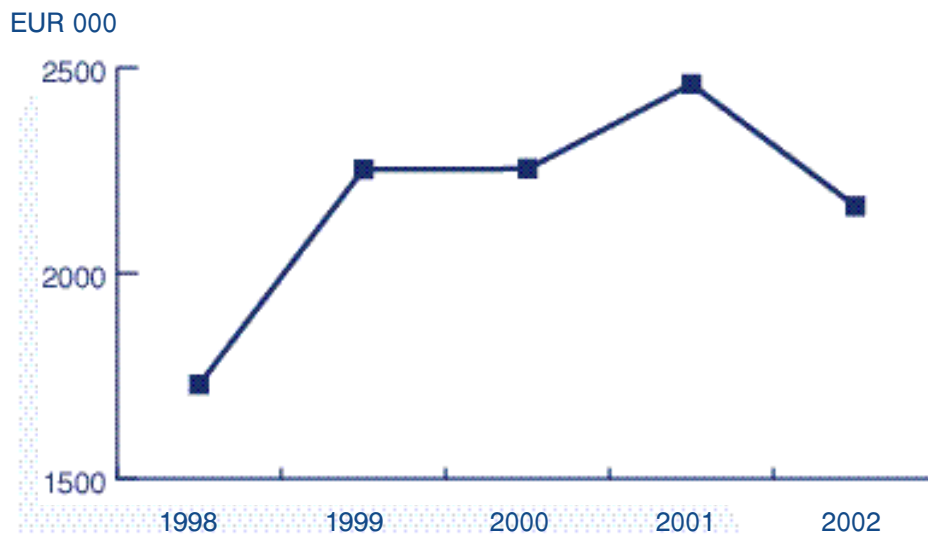
### Crèches and holiday camps

The Bank has manifested its interest in this area through the operation of a Bank-owned day nursery in Maroussi and of a holiday camp in Varybobi, both of which have established a very high level in the services provided concerning care, education and creative activities for children. The Bank also concludes agreements with private day nurseries and holiday camps throughout Greece for ensuring accommodation for children. In 2002, 510 children were accommodated in day nurseries and 1,236 in holiday camps. The corresponding expenditure during 2002 amounted to EUR 2,164 thousand.

**TABLE 12: EXPENDITURE FOR NURSERIES AND HOLIDAY CAMPS** (in EUR 000)

YEAR	EXPENDITURE
1998	1,730
1999	2,253
2000	2,254
2001	2,460
2002	2,164

**Graph 12: Expenditures for day nurseries and holiday camps** (in EUR 000)



### Group Insurance Plans

The insurance of its personnel is a priority for the Bank. In cooperation with PHOENIX METROLIFE EMPORIKI, the Group's insurance company, the Bank offers a series of insurance covers for personnel and their families (life insurance, insurance against incapacitation for work, savings insurance plan for support to children, supplementary medical treatment insurance plan for non-insured children aged 25-30, extension of hospital care to cover hospitalisation in Public or Private Hospitals in Greece or abroad).

More in particular, during 2002 the Bank spent a total of EUR 3,349.5 thousand for the aforementioned insurance plans.

**TABLE 13: GROUP INSURANCE EXPENDITURES FOR 2002** (in EUR 000)

	<b>EMPLOYEES</b>	<b>PENSIONERS</b>	<b>TOTAL</b>
ASSISTANCE	1,486.0	420.0	1,906.2
NON-INSURED CHILDREN AGED 25-30	1.7	16.9	18.6
SUPPLEMENTARY HOSPITAL INSURANCE	518.7	0	518.7
GROUP INSURANCE POLICY	906.0		906.0
<b>TOTAL</b>	<b>2,912.4</b>	<b>437.1</b>	<b>3,349.5</b>

### Health and Safety

Existence and application of a policy for reducing occupational hazards is important for the Bank. The Bank is cooperating with an Independent Protection and Prevention Agency, with the aim to safeguard and promote the health of employees and customers in work premises. Fire-safety equipment is available, preventive checks are carried out, and the safety personnel is trained. The Bank applies a Safety Regulation which covers all categories of hazards which can potentially occur and the methods for ensuring adequate protection, including seismic protection. The costs for the implementation of the Health and Safety programme for 2002 amounted to EUR 168,500.

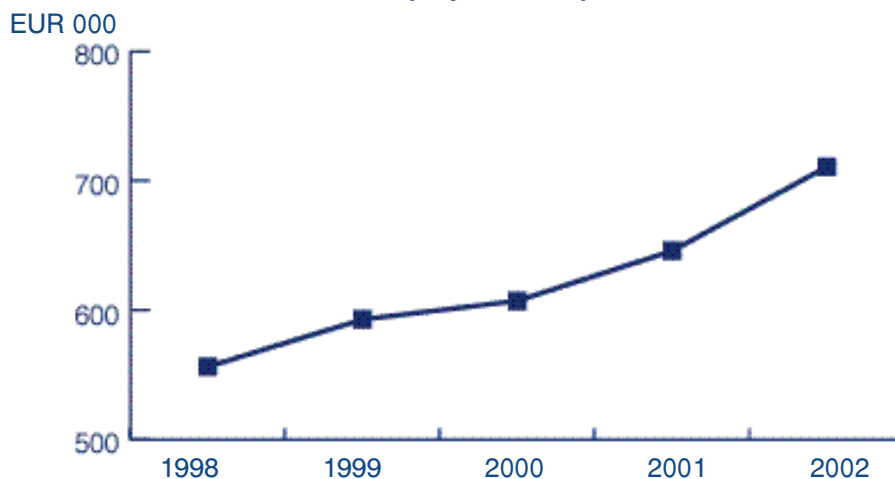
### Assistance to Associations

The Bank is providing financial assistance to Employees' and Pensioners' associations, for the organisation of cultural and entertainment events, for holding sports events in the framework of sports activities for employees, as well as for the implementation of vocational guidance programmes for the children of employees.

**TABLE 14: EXPENDITURES FOR FINANCIAL ASSISTANCE TO ASSOCIATIONS** (in EUR 000)

<b>YEAR</b>	<b>EMPLOYEES' ASSOCIATION</b>	<b>SCIENTIFIC PERSONNEL ASSOCIATION</b>	<b>PENSIONERS' ASSOCIATION</b>	<b>TOTAL</b>
1998	495.2	28.8	32.5	556.4
1999	529.9	29.6	33.4	592.9
2000	542.6	30.3	34.2	607.2
2001	579.4	31.2	35.3	645.9
2002	641.7	32.5	36.6	710.8

**Graph 14: Financial assistance to employees' and pensioners' associations** (in EUR 000)



### Scholarships and prize money to children

Emporiki Bank rewards its children who excel in their studies. Since 1996, the Bank awards scholarships to children of employees and pensioners for distinguishing themselves in University entry exams and for excelling in their studies in Universities and Technological Education Institutes (TEI), encouraging the development of noble competition. In addition, the Bank also awards monetary prizes to children of employees and pensioners who excel in Secondary education.

During the 2001-2002 academic and school year, the Bank spent a total of EUR 221,000 for awards to children of employees and pensioners excelling in their studies.

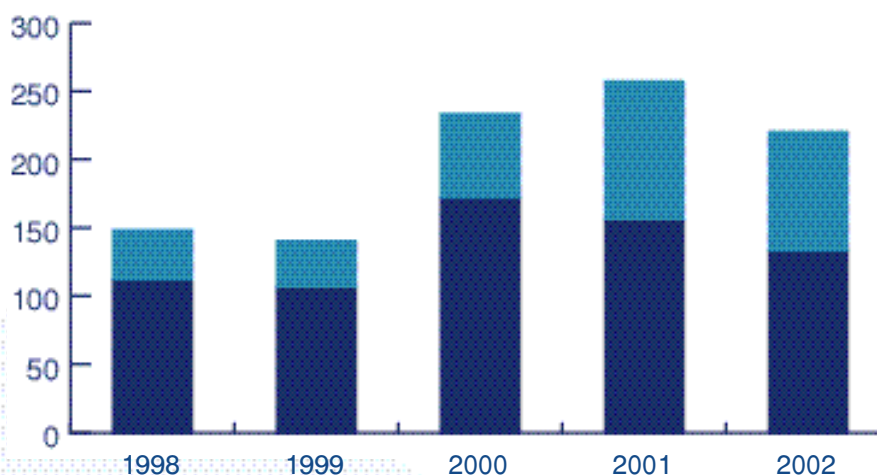
**TABLE 15: EXPENDITURES FOR SCHOLARSHIPS AND MONEY PRIZES** (in EUR 000)

YEAR	Scholarships	Monetary Prizes	TOTAL
1998	112	37	149
1999	107	34	141
2000	173	61	234
2001	156	102	258
2002	134	87	221

**Graph 15: Scholarships and money prizes to children of employees and pensioners**

EUR 000

(in EUR 000)



### Special leaves

Wishing to help reconciliation of family obligations with the demands of professional life, we provide our personnel with paid leave in the following special cases:

- **Parents of children with a disability:** For a disability level over 67%, and if due to this reason parents are required to be absent from their Department, a special 5-day paid leave is granted per calendar year.
- **Bereavement leave:** A 2-day paid leave is granted in the event of death of a spouse or of a first-degree relative by blood or through marriage.
- **Leave for attending school activities:** Parents whose children are up to 18 years old and attend elementary or secondary education, may be absent for a certain number of hours or for the entire working day up to a total of six (6) working days per calendar year, in order to visit the school of their child.

## **Personnel training policy**

In Emporiki Bank, we pay special attention to the training of our personnel. Continuing vocational training is a precondition in order for our personnel to be able to respond effectively to market changes and challenges. The Bank provides short- and long-term in-house training, distance training, assistance for participation in training programmes and conferences organised by other organisations in Greece or abroad, as well as assistance for following post-graduate courses leading to Master's degrees.

### **Research on training needs**

In-house training programmes are determined on the basis of the guidelines and targets specified by the Management, in combination with the requirements as established for the Banking and Executive-Support Units and Regional Divisions.

The basis for the establishment of the Bank's training programmes is the training requirements survey, conducted annually by the Training Division. The key tools used in the survey are questionnaires and/or face-to-face interviews with the Bank's responsible units. For 2003, the survey to be conducted will also cover our subsidiaries, so that the other companies of the Emporiki Bank Group may also be supported in terms of training through the existing training programmes or through other tailor-made programmes.

### **Vocational Education and Training System**

The Bank applies a "Personnel Vocational Education and Training programme", which provides for associating job positions with the knowledge and skills that employees should possess in order to respond to the requirements of their jobs.

Training programmes are established and revised based on both the Bank's training policy and targets, and the training requirements as established for the Bank's individual Units. It is mandatory for all Bank employees to follow the basic training programmes foreseen for their job. They may also (optionally) apply for participating in training programmes in addition to the basic ones foreseen for their job, only when they have finished the cycle of basic programmes corresponding to their job.

### **Building facilities for in-house training**

The Bank possesses:

- A certified, modern, Bank-owned training centre in Athens, with a total area of 1000 sq.m. (at 72 Eolou St.), which comprises: 7 classrooms, 5 work rooms, support spaces (telecommunications, production of training material, storage spaces) and break areas, fully equipped with modern systems for giving presentations. .
- A certified, Bank-owned building in Athens (at 45 Mitropoleos St.), which comprises 7 classrooms and support spaces. This building houses "Banking Research and Development SA" (STEP), a subsidiary company of the Group, and is used mainly for long-term in-house training programmes.
- For personnel training activities in Northern Greece Regions, the Bank's training centre in Thessaloniki is used, which comprises 2 fully-equipped classrooms.

### **Participation in short-term in-house training programmes**

During 2002, a total of 2,351 employees attended 32 short-term in-house training programmes on

specialist banking subjects, general management training, personal improvement, sales and development of PC-skills. On the basis of the total number of participations (4,139), it can be inferred that most of the 2,351 trainees attended more than one short-term in-house programmes.

**TABLE 16: SHORT-TERM IN-HOUSE TRAINING PROGRAMMES**

<b>YEAR</b>	<b>PARTICIPATIONS</b>	<b>COST (in EUR 000)</b>
1998	3,593	1,844
1999	4,532	2,380
2000	4,115	2,144
2001	10,540	2,567
2002	4,139	2,210

It should be pointed out that the high number of participations for 2001 is due to the large number of personnel attending specialist extraordinary training programmes, mainly on Anti-Money Laundering, on the Migration to Windows 2000 and on the Siglo Information System application.

Training activities are attended by men and women from across all age groups; however, most trainees belong to the ages between 31 and 50 (Tables 17, 18).

**TABLE 17: PERSONS TRAINED BY SEX**

<b>YEAR</b>	<b>MEN</b>	<b>WOMEN</b>	<b>TOTAL</b>
1998	1,278	1,194	2,472
1999	1,500	1,207	2,707
2000	1,245	1,327	2,572
2001	2,156	2,208	4,364
2002	1,050	1,301	2,351

**TABLE 18: PERSONS TRAINED BY AGE GROUP**

<b>YEAR</b>	<b>20-30 YEARS OLD</b>	<b>31-40 YEARS OLD</b>	<b>41-50 YEARS OLD</b>	<b>&gt;50 YEARS OLD</b>
1998	520	975	762	215
1999	317	1,065	1,009	316
2000	452	1,062	840	218
2001	484	1,770	1,723	387
2002	361	828	953	209

## Long-term education and training

### Two-year programme

Of the total number of our employees, 42% are Lyceum (High school) graduates, of which many, although they have established their families, wish to expand and further specialise their knowledge of banking qualifications without interrupting their labour relation with the Bank. The Bank provides to these employees the opportunity to follow a training programme on modern banking subjects. The programme is a two-year, full-time attendance one, and participating employees receive their full pay throughout its duration. Employees are selected for participation in this programme through exams. The training is organised and delivered by the Group's subsidiary company "Banking Development and Research S.A." (STEP).

For the current training programme, out of a total of 58 students, men account for 41% (24 persons),

with women accounting for 58.6% (34 persons). The average student age is 32 years, 31% (18 persons) of the students have established a family, and 33% (19 persons) of the students come from regions apart from Athens.

Graduates from the programme may participate in the career development procedures established in the Bank, benefiting from specific advantages.

### **Six-week pilot programme**

In addition, 11 Branch Managers of the Bank and 2 Group executives have attended a six-week training programme on financial management during 2002 (Diploma in Managing Financial Services). This was a pilot programme, organised by the Group's subsidiary company "Banking Development and Research S.A." (STEP).

### **Assistance for learning foreign languages**

The Bank considers that knowledge of foreign languages is a necessary qualification for its personnel, and therefore actively supports actions that have to do with learning foreign languages.

The Bank finances tuition fees for learning foreign languages, with employees attending local foreign language schools of their choice. For the English language only, there is also the possibility to follow a course in groups consisting exclusively of Bank employees, organised for this purpose by well-established external associates of the Bank.

In addition, the Bank finances the fees for private teaching of foreign languages for its executives, under the condition that such lessons take place at the working premises and after working hours.

**TABLE 19: PARTICIPATION IN PROGRAMMES FOR LEARNING FOREIGN LANGUAGES AND COST TO THE BANK**

<b>YEAR</b>	<b>PARTICIPATIONS</b>	<b>COST (in EUR 000)</b>
1998	174	130.00
1999	228	161.60
2000	153	127.30
2001	170	123.10
2002	342	353.90

### **Distance learning**

In 2001 the Bank introduced for the first time the distance learning method as a teaching tool which presents significant potential benefits for employees as well as for the Bank. For employees, especially for those having their place of residence in a remote region, or for those working on the basis of reduced working hours arrangements, this method eliminates the obstacle of physical distance. It also eliminates the obstacle of limitation in the number of participants to a specific training programme, resulting in the potential for training a large number of employees. For the Bank, the possibility is offered for immediate dissemination of knowledge across all levels of the hierarchy, for curtailing training costs and for reducing the time during which trainees have to be away from their work.

### **Out-of-house training**

In addition to in-house training, the Bank also encourages participation of employees in training programmes and seminars held by selected organisations in Greece or abroad. During 2002, the Bank financed 376 such participations, with a total cost amounting to EUR 258.56 thousand.

**TABLE 20: PARTICIPATION NUMBERS AND COSTS FOR OUT-OF-HOUSE TRAINING**

YEAR	PROGRAMMES IN GREECE		PROGRAMMES ABROAD			TOTAL PARTICIPATIONS	TOTAL COST in EUR 000
	PARTICIPATIONS	COST in EUR 000	PARTICIPATIONS	COST in EUR 000			
1998	135	52.17	27	95.78		162	147.95
1999	184	99.28	17	65.87		201	165.15
2000	268	127.62	26	99.36		294	226.98
2001	267	146.77	47	186.75		314	333.52
2002	338	134.68	38	123.88		376	258.56

### Post-graduate (Master's Degree) courses

In the context of actively supporting the educational and professional development of its employees, the Bank meets, for a limited number of employees, the costs of their participation in full-time Post-graduate courses in Greece or abroad, leading to Master's Degrees in areas of specialisation determined by the Bank.

**TABLE 21: POST-GRADUATE STUDIES (MASTER'S DEGREE) AT COSTS COVERED BY THE BANK**

YEAR	MEN	WOMEN	TOTAL COST IN EUR 000
1999	4	10	115,334
2000	1	10	119,149
2001	7	17	128,427
2002	6	8	66,077

### Subsidisation of tuition fees and student's leave

The Bank also assists employees who follow a course of studies in parallel with their work, by financing their tuition fees and by granting to them a 20-day student's leave for each year of studies.

### Reimbursement of employer's contribution

Finally, it is pointed out that the Bank has concluded the procedure regarding confirmation and collection of the 0.45% employer's contribution, which corresponds to personnel training expenses, through the Labour Force Employment Organisation (OAED). The final payment procedure for collecting the amount of EUR 750,000 approximately, for training activities during 2002, has been concluded.

### Participation in Community programmes

The Bank participates as partner:

- In the Joint Development Action Equal – Andromeda, for implementing a project under the EQUAL Community Initiative, with the Centre of Research on Equality Issues acting as the coordinating partner.
- In a proposal submitted by the Hellenic Bank Association in the context of the LEONARDO DA VINCI Community Programme for Vocational Training, titled "DEMEFACTS" and aiming at further developing the "Facilitator's" role in education and on-the-job training.
- In a proposal submitted by the Hellenic Bank Association, in cooperation with a consortium of organisations, to the Greek Secretariat General for Research and Technology (GGET), on New Forms for Enterprise, Work and Training Organisation, under the title "Integrated Approach to Change Management using Intelligent Information Systems".



## Our Corporate responsibility for protecting the Environment

By signing the Statement by Financial Institutions on the Environment and Sustainable Development under the auspices of the UN Environment Programme, Emporiki Bank undertook the moral obligation to work towards incorporating environmental aspects in its business activities and in its communication with interested parties.

By the present report, Emporiki Bank informs all interested parties that it intends to adopt an Environmental Policy by August 2003 at the latest, which will have the following features:

- The policy will be publicised and will concern all key operations.
- The policy will include commitments to specific targets, monitoring and checking targets, as well as publication of results.

In addition, Emporiki Bank intends to adopt an Environmental Management System, modelled after the Community's Eco Management and Audit Scheme (EMAS II), by August 2004 at the latest.

In this context, during 2002 Emporiki Bank continued the application of environmental policy measures in certain business activities which concern mainly the Bank's internal operation, as well as in communication actions, with the aim to raise the awareness of the parties involved concerning the environment and Sustainable Development.

### **Our goal is to achieve environment-friendly internal Bank operations.**

#### **• Bank buildings**

The Bank is constantly repairing, expanding or renovating its building facilities. Every seven years on average, the Bank undertakes major technical works in the buildings that it owns or leases to third parties, in order to improve their functionality and aesthetic appearance. At the same time, the Bank also carries out other works in its buildings, in order to install or expand their technological infrastructure. As the built area in use increases, and as the technological infrastructure installed also increases, it is also natural for the consumption of energy to increase. However, we take the following measures for minimising energy consumption:

- All Bank buildings are constructed or repaired using environment-friendly materials.
- All Bank buildings are fitted with heating and air conditioning installations that make minimum use of energy and represent a minimum burden to the environment.
- Heating and air conditioning in buildings is adjusted for operation only during working days and hours.

Finally, it should be pointed out that in all new Bank buildings provisions are made for incorporating an entry ramp, allowing access by persons with mobility impairment. However, we acknowledge the town planning restrictions in remodelling old buildings, and for this reason we explore good practices in order to serve people with a disability.

#### **• Lighting**

A significant part of the consumption of electrical power is due to meeting lighting requirements. We take care to ensure that only low-energy consumption, modern technology lamps are used in all newly constructed or renovated Bank buildings. We estimate that within a maximum period of five years (i.e. by 2007), all buildings will be fitted exclusively with low-energy consumption lamps. In addition, Bank executives and administrative staff take care to switch off lighting units, when not needed.

- **Recycling of waste paper**

The Bank dispatches for recycling a part of the waste paper produced. This, however, takes place on a limited scale and concerns only large branches in the Attica region, rather than all of our branches in all Greek cities, as we would wish. This happens because the market for recycling services faces serious difficulties in its organisation, which have to do mainly with waste paper collection and transport. It is our estimate that the recent law on alternative methods for handling packaging and other products (Law 2939/179, voted in 2001), and the Presidential Decrees which are expected to be issued during 2003 concerning alternative methods for handling various materials, will make a decisive contribution and will allow the market's problems concerning collection, transport and handling of materials to be solved. The Bank declares that it shall respond to the requirement for alternative methods for handling its obsolete materials, and shall encourage the initiatives aimed at organising the market and Greek society.

<b>Weight of waste paper recycled</b> (in kilograms)	
<u>Year</u>	<u>Quantity</u>
200	197,000
2001	66,000
2002	115,000

- **Recycling of obsolete electronic equipment**

The Bank applies a "System for Disposal of Zero-Utility Equipment & Consumables", under which the Bank's telecommunications and electronic equipment which becomes obsolete is handed over to a recycling company.

<b>Obsolete equipment recycled</b> (in pieces recycled)			
<u>YEAR</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Telecommunications hardware (modems, network cards, adaptors etc.)	1,042	0	6
PC Monitors	254	33	182
PC Main Units	114	89	185
Printers	188	31	82
Keyboards	139	0	164
ATMs	5	0	0
<b>TOTAL</b>	<b>1,742</b>	<b>153</b>	<b>619</b>

- **Bank transport means**

For meeting its various needs, during 2002 the Bank used a total of 119 transport means (cars, armoured vans, small buses, small trucks, machinery and one tractor). Of these, 51 are owned by the Bank and 68 are leased by EMPORIKI RENT, the Group's subsidiary. All transport means mentioned above are of modern, environment-friendly technology. In addition, the Bank takes care to replace its vehicles in due time (approximately every four years for passenger vehicles and every eight years for trucks), in order to avoid burdening the environment. During 2002, our subsidiary EMPORIKI RENT, which is active in leasing transport means, was awarded the EN ISO 9001:2000 Quality Management System certificate by TUV Management Service.

- **Cleaning materials**

The Bank devotes significant resources to keeping its premises clean. In the tenders conducted for assigning cleaning services to external providers who supply cleaning crews, as well as in purchases of cleaning materials, preference is given to ecological materials.

- **Information Systems / clean technologies**

The Bank uses a modern internal electronic communications network, which contributes to reducing travel and the use of printed documents, while maintaining a high level of communication. At the same time, the Bank is developing alternative channels for the sale and distribution of its products and services, which, in addition to providing customers with a faster service, also contribute to reducing travel. During 2002, the range of high value-added e-banking services offered was further expanded, while during 2003 the upgraded BANKTEL phone banking service will be promoted for the first time to all our customers.

- **Credit financing policy**

During 2002, the Bank financed projects which were planned based on integrated Environmental Impact Studies and which aim at modernising infrastructures. The following are mentioned indicatively:

- Self-financed or co-financed large-scale infrastructure projects (motorways, fixed-track transport systems, air transport, harbour drainage works, projects in energy and telecommunications), which take place in the context of the modernisation of the country's infrastructures, are implemented by the Public and wider Public Sector, and are co-financed by the European Union. In cooperation with other Greek and foreign banks, Emporiki Bank participated in syndicated loans for financing large-scale construction projects such as the Elefsis-Spata Motorway (Attiki Odos) and the Rion-Antirion Bridge.

- The Electrical Power Plant and Hot Water Distribution Network (co-production) in the city of Serres. This is a project implemented by the private sector, with participation by Danish interests, which aims at the phased provision of heating and hot water in residences and office buildings in the area.

- Projects regarding Renewable Energy Resources (wind parks). These are investment projects that substitute the production of energy using materials with adverse impacts on the environment (lignite, crude oil, etc.) with available wind energy potential.

- Private investments (in industrial installations and tourist facilities), which come under the favourable provisions of Development Law 2601/1998 and involve actions including protection of the environment, energy savings, alternative use of energy, waste treatment plants etc. Financing of such investment plans is always a priority for the Bank.

- **Provision of information to the public**

We participate in and encourage the initiatives deployed by third parties in order to raise the awareness of the parties involved on issues concerning the protection of the environment. More in particular, during 2002:

- We cooperated with the Association of Importers of Car Spare Parts, in order to inform the Association's members about "Corporate Social Responsibility".

- We organised an exploratory meeting with agencies representing West Attica enterprises, in order to identify the financing needs of enterprises for investment plans concerning the protection of the environment. Following that meeting, and in cooperation with the same agencies, we jointly organised an

information event in West Attica with the title "Financing Anti-Polluting Technologies". It should be pointed out here that West Attica is an area characterised by high pollution loads and a high concentration of small and medium-sized enterprises; therefore, the synergies to be gained from the coordination of activities between the Bank and the agencies representing enterprises, could result in a positive contribution for the local community.

- We provided assistance to the actions of Non-Governmental Organisations in the domain of the environment.

**UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)**  
**STATEMENT BY FINANCIAL INSTITUTIONS**  
**ON THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT**

*We members of the financial services industry recognize that sustainable development depends upon a positive interaction between economic and social development, and environmental protection, to balance the interests of this and future generations. We further recognize that sustainable development is the collective responsibility of government, business, and individuals. We are committed to working cooperatively with these sectors within the framework of market mechanisms toward common environmental goals.*

**1. Commitment to Sustainable Development**

*1.1 We regard sustainable development as a fundamental aspect of sound business management.*

*1.2 We believe that sustainable development can best be achieved by allowing markets to work within an appropriate framework of cost-efficient regulations and economic instruments. Governments in all countries have a leadership role in establishing and enforcing long-term common environmental priorities and values.*

*1.3 We regard the financial services sector as an important contributor towards sustainable development, in association with other economic sectors.*

*1.4 We recognize that sustainable development is a corporate commitment and an integral part of our pursuit of good corporate citizenship.*

**2. Environmental Management and Financial Institutions**

*2.1 We support the precautionary approach to environmental management, which strives to anticipate and prevent potential environmental degradation.*

*2.2 We are committed to complying with local, national, and international environmental regulations applicable to our operations and business services. We will work towards integrating environmental considerations into our operations, asset management, and other business decisions, in all markets.*

*2.3 We recognize that identifying and quantifying environmental risks should be part of the normal process of risk assessment and management, both in domestic and international operations. With regard to our customers, we regard compliance with applicable environmental regulations and the use of sound environmental practices as important factors in demonstrating effective corporate management.*

*2.4 We will endeavour to pursue the best practice in environmental management, including energy efficiency, recycling and waste reduction. We will seek to form business relations with partners, suppliers,*

and subcontractors who follow similarly high environmental standards.

2.5 We intend to update our practices periodically to incorporate relevant developments in environmental management. We encourage the industry to undertake research in these and related areas.

2.6 We recognize the need to conduct internal environmental reviews on a periodic basis, and to measure our activities against our environmental goals.

2.7 We encourage the financial services sector to develop products and services which will promote environmental protection.

### **3. Public Awareness and Communication**

3.1 We recommend that financial institutions develop and publish a statement of their environmental policy and periodically report on the steps they have taken to promote integration of environmental considerations into their operations.

3.2 We will share information with customers, as appropriate, so that they may strengthen their own capacity to reduce environmental risk and promote sustainable development.

3.3 We will foster openness and dialogue relating to environmental matters with relevant audiences, including shareholders, employees, customers, governments, and the public.

3.4 We ask the United Nations Environment Programme (UNEP) to assist the industry to further the principles and goals of this Statement by providing, within its capacity, relevant information relating to sustainable development.

3.5 We will encourage other financial institutions to support this Statement. We are committed to share with them our experiences and knowledge in order to extend best practices.

3.6 We will work with UNEP periodically to review the success in implementing this Statement and will revise it as appropriate.

We, the undersigned, endorse the principles set forth in the above statement and will endeavour to ensure that our policies and business actions promote the consideration of the environment and sustainable development.



Our corporate responsibility  
to the general public

In addition to being a successful enterprise, we consider it necessary for the Bank to be also a socially responsible enterprise, by returning to the general public some of the fruits of its success. Emporiki Bank has a long tradition of supporting initiatives that aim at preserving cultural heritage (with emphasis on the protection of monuments of Greek Tradition and History), of assisting initiatives related to arts and culture, sports, health, education, the protection of the environment, the promotion of scientific research, and the support to young people. During 2002, the Bank has returned to the general public a total amount of EUR 775,268, by providing assistance to the following activities.

<b>FUNDS RETURNED TO THE GENERAL PUBLIC DURING 2002</b>	
(in EUR 000)	
<b>ACTIVITY</b>	<b>EXPENDITURE</b>
Culture	63,288
Sports	30,255
Education	31,928
Environment	20,474
Health	117,388
Social agencies	60,207
Supporting young people	424,734
Other	24,455
<b>TOTAL</b>	<b>775,268</b>

## Culture

### Theatre

We carried on with the policy introduced in 1998 and aimed at providing financial assistance to theatrical groups, and especially, but not exclusively, to groups performing outside Athens. The Bank purchases in advance tickets for performances given by regional and pioneering companies, which it then offers to its customers and personnel free-of-charge, thus providing customers and employees with the opportunity to attend together theatrical performances.

In this context, during 2002 the Bank assisted the following:

- The world's unique train-theatre "The train at Rouf", a renovated 1950s train parked in the Rouf railway station, which functions as an innovative theatrical space.
- The Theatrical Civil Society "Iera Odos", housed in a refurbished foundry that has been transformed into a theatrical-cultural space.
- The "MELI" theatre company, for the performance of the play "Play Strindberg" by Swiss play writer Friedrich Dürrenmatt.
- The "Argo" theatre company, for the performance of the play "Goodnight Mother".
- The Corfu and Roumeli Municipal Regional Theatres, for a series of performances in many towns outside Athens.
- The performance of Aristophanes's "Lysistrata", staged in Lycabettus Theatre under the Athens Festival programme.
- The performances of "GUIYANG" by the Beijing Opera, given in the "ATHINAIS" multi-functional centre on the occasion of the 30th anniversary of the reinstatement of diplomatic relations between Greece and The People's Republic of China. These performances, given during a five-day Business and

Cultural Event, were co-organised by the Greek-Chinese Chamber of Commerce and Industry with the cooperation of the Embassy of the People's Republic of China.

### **Music**

Continuing our contribution to musical events we assisted:

- The Athens Concert Hall (Megaron), by assisting the "Chamber Music Festival" cycle of concerts.
- The concert given by composer Elias Andriopoulos at London's Queen Elizabeth Hall, under the auspices of the Greek Ministry of Culture.
- The event celebrating Greece's cultural contribution to Europe, held in the Chateau de la Muette, in Paris, on the occasion of the Greek presidency of the European Union, with the famous Greek soprano Elena Kelessidou and Greek pianist Dimitris Giakas.
- The National Conservatory of Chalandri, on the occasion of its 60th anniversary.
- The Renaissance music group "KELSOS", on the occasion of the cultural events held in the city of Volos, organised by the Society for Social and Cultural Action of the Prefecture of Magnissia.
- The musical events of Sani Festival, which were held at various locations in Chalkidiki throughout the high tourist season.
- The Cultural Organisation of the Municipality of Rhodes for the "Hymn to the Aegean Archipelago", a musical-theatrical performance based on texts by Greek poets Seferis, Elytis, Varnalis, Loudemis, Ritsos.

### **Art and Book Exhibitions**

Emporiki Bank assisted the following exhibitions, which present to the general unique images, rare paintings and important books:

- Exhibition of objects of art from the collection of The Netherlands' Van Abbe Museum of Modern and Contemporary Art, held in Athens.
- The book exhibition organised by the Ministry of Foreign Affairs with books written by diplomatic and other Ministry staff, including Nobel Laureate Greek poet George Seferis.
- The exhibition of the Photographic Historical Archives of Modern Greece on the theme of "GREECE'S SACRIFICES IN WORLD WAR II".
- The exhibition of paintings organised by the Greek National Gallery – Alexandros Soutsos Museum, with 17th century Dutch paintings belonging to the collections of the Dordrecht Museum.
- The painting exhibition of works belonging to the "FRISSIRA" Museum in Messolonghi, held in the city during the period of the Exodus Celebrations, the most important of the city's cultural events.

### **Cultural Centres - Associations / Centres for Research & Preservation of Tradition**

- The Bank made a significant contribution to the events organised by the European Cultural Centre of Delphi, which were aimed at promoting the study of Ancient Greek to secondary schools in European countries.
- In 2002 the Bank granted a sum of money to the Society for Kythira Studies, whose aim is the preservation of the island's Byzantine Monuments, for commencing restoration works in the Byzantine church of Saint Nikitas which contains rare frescoes.
- The Bank also assisted the Cultural Society "THE OLD PICTURESQUE ATHENS" in the organisation of cultural events and concerts aiming at protecting and preserving the traditional atmosphere, customs and rituals of old Athens.

## **Museums – Archaeological Sites**

- The Bank assisted the Amfiklia Folklore-Dancing Society "DADIOTIKI ESTIA", for the creation of the unique in its kind "Museum of Bread", under the supervision of the Research Centre of the Greek Folklore Academy of Athens.
- The Bank assisted the Numismatic Museum in its activities for enriching its collections, through purchase of rare types of ancient coins in Greece and abroad, and for developing conventional and electronic programmes and information publications both for academics and for the lay public.

## **Education**

The Bank is constantly assisting actions that promote scientific research. During 2002 the Bank assisted:

- The Department of Economics of the University of Athens, for creating a web site and for carrying out upgrades in the electronic organisation of its Library.
- The University of Peloponese.
- Primary schools all over the country, by sending to them books and PCs for use by pupils.
- Libraries of Municipalities, societies and other associations, by sending to them books.

## **Health**

The Bank has assisted the important activities of the Medical-Biological Research Foundation of the Athens Academy.

## **Protection of the Environment**

One of our immediate aims is to raise the awareness of our personnel as well as of the general public concerning the protection of the environment. In this context, the Bank assisted the initiatives of the "Greek Society for the Protection of Nature" as well as of the "Society for the Protection of the Urban Environment".

## **Solidarity to Social Groups**

The Bank continued to express its solidarity, by assisting social groups and organisations which, through their voluntary services, offer significant services to society:

- The Voula Centre for the Rehabilitation of Invalidated Children, for the organisation of a new ward.
- The "Medecins Sans Frontières" organisation.
- The "Make a Wish" society.
- The Forest Protection Volunteers of Attica.
- The Charity Institute.
- Various Institutions concerning people with special needs.
- Other institutions.

## Our Chorus

Our Chorus was founded in 1964 and since then it has a continuous presence both within Greece and abroad, giving concerts and lending support to charitable causes, in addition to its artistic contribution. Our Chorus has participated in international competitions, winning several awards, including the first and third prize in the Llangollen international musical festival of Wales in Great Britain, and the second prize in the international chorus contest in Arezzo, Italy. Our Chorus has given more than 800 performances in Greece and has cooperated with all major Greek Symphony Orchestras.

Our Chorus is an all-male chorus of 45 singers, who in their majority are employees of the Bank.

During 2002, our Chorus performed in various locations in Greece, such as the Church of Saint Panteleimon in Athens, with a programme of hymns for the Holy Week, the Municipal Theatre of Karditsa, the Municipal Theatre "Apollon" in Syros, the Roman Agora, in the context of a major event dedicated to the African children suffering from AIDS, the University of Patras conference centre, in Heraklion in Crete, and in the Veria Concert Hall.

## Our Publications

Our publishing activities date from 1957. The Bank publishes books written by established authors on subjects referring primarily to history, the arts, and the natural environment. With their flawless layout and high artistic quality, they have gained a prominent position in the publishing sector.

During 2002:

- We published the book "Greek church-building in the 12th century", containing 644 pages with 570 pictures, by Charalambos Bouras, Emeritus Professor of the National Technical University of Athens, and Laskarina Boura. The book presents the churches built during the 12th century in the "Elladikon", i.e. in the large Byzantine region which consisted of Thessaly, Central Greece (Sterea), Evia, and the Peloponese. The book is a basic textbook on Byzantine architecture and sculpture in the 12th century, and will contribute greatly to the systematic study of valuable monuments in our country.

- We published the album "Emporiki Bank of Greece - A chronicle", a joint publication by Emporiki Bank and the Hellenic Literary and Historical Archive (ELIA).

- The revision of the translation into Greek of the book by Russian traveller V.P. Orloff-Davidoff entitled "Memories from my trip to the Ionian Islands, Greece, Asia Minor and Turkey in 1835", volumes A & B, Saint Petersburg, 1839-1840, has been completed. The book is due for publication in 2003.

## Supporting the athletic spirit

Emporiki Bank has a long tradition of supporting the athletic spirit. In view of the 2004 Olympic Games, we believe it necessary to support athletic events, and especially to support those sports which face difficulties in attracting sponsors.

- **Cycling.** Since 1998, Emporiki Bank is the exclusive sponsor of the Hellenic Cycling Federation, which has started to gain distinctions. The Bank has been nominated National Sponsor for this sport until 2005, as well as Exclusive Sponsor of the 2002 International Men's Cycling Tour, which was successfully hosted in Greece with participations from 15 countries.

- **Track & Field Events.** We assisted the Olympic Champions' Academy of the "Panellinios" Gymnastics Club, one of Greece's oldest and most historical teams, from which many champions have come.
- **Weightlifting.** We assisted the 2002 European Weightlifting Championship which was hosted in Attalya, Turkey, and in which many top-level athletes participated.
- **Volleyball.** We assisted the team of the Orestiada Sports Club, active in one of the country's remote northern cities, which has gained many distinctions so far.
- **Basketball.** We assisted two historical clubs: the Near East Sports Club in Kessariani, a club which was founded by refugees from Asia Minor; and the Pangrati Sports Club, which founded 72 years ago and which has gained many distinctions in basketball.
- **Football.** The Bank continued to assist the football team of Skoda-Xanthi, based in the remote northern region of Thrace.
- **Aquatics & Sailing.** We assisted the Piraeus Sailing Club and the Panhellenic Open Sea Sailing Club, as well as athletes from other clubs who compete under the Emporiki Bank colours.
- The Bank has undertaken to fund the 20th "**Spartathlon**", an athletic event which took place with the participation of 2,249 athletes representing 36 countries, and which is aimed at promoting the revival of the Olympic Spirit and of athletic Ideals.

## Blood Donation

During 2002, as is the Bank's practice each year, the Bank has organised regular and non-regular blood donating sessions, in cooperation with public hospitals. The employees of the Bank responded by donating 920 blood units, thus manifesting their increased awareness and social solidarity.

**TABLE: BLOOD UNITS DONATED**

YEAR	NUMBER OF UNITS
1998	987
1999	788
2000	1139
2001	1047
2002	920

## **Supporting young people**

### **Students' practical training**

We acknowledge the need to support and encourage young people. We consider that it is very important to provide young people with the opportunity to link their education with the production process, and to acquire practical experience from working in an organised business environment. For this reason, we offered the opportunity to a total of 412 students to obtain practical experience of working in the Bank's branches and executive units, through the implementation of two programmes:

- A practical training programme for 393 students of University Departments of Economics, at a cost of EUR 408,884.07 to the Bank.
- A practical training programme for 19 students, implemented in the framework of the Ministry of Education's Operational Programme for Education and Initial Vocational Training (EPEAEK).

### **Scholarships to excelling students**

Since 1992 the Bank participates in the Scholarships Programme of the Economics Department of Piraeus University, meeting each year the expenses for awarding 5 scholarships to students who excel in their studies. During 2002, the Bank approved the award of 5 scholarships for the 2000-2001 academic year, at a total cost of EUR 7,350.00.

### **Employment of foreign students**

In the framework of the International Student Exchange Programmes of the International Association of Students of Economic and Commerce Studies (AIESEC), the Bank employed during the summer months of year 2002 ten foreign students in various Bank Divisions, in order for them to acquire practical experience of the environment of the Bank.

The cost of this activity to the Bank amounted EUR 8,500.

