



ANNUAL REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE BANK
ON THE BALANCE SHEET OF THE BANK AND THE GROUP FOR FISCAL YEAR 2004

ATHENS 2005

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KEY FIGURES FOR THE GROUP AND THE BANK, 2003-2004*

	Group		Bank	
	2004	2003	2004	2003
Assets (in EUR million)				
Net loans and advances to customers	13,327.5	12,030.4	12,989.6	11,705.0
Bonds, bills & other fixed-yield securities ¹	1,917.7	2,169.9	1,877.3	1,934.2
Total assets	18,235.7	16,888.0	17,914.7	16,644.3
Liabilities (in EUR million)				
Amounts due to customers	14,961.0	14,042.7	14,695.1	13,841.7
Own funds	1,273.2	1,199.7	1,328.9	1,268.6
Results (in EUR million)				
Net interest income	649.5	611.8	522.4	499.6
Net fee and commission income	148.6	159.0	138.9	135.4
Gross operating income	834.5	830.5	692.7	673.6
Staff costs	424.7	372.9	401.1	344.7
Total operating costs ²	694.0	624.7	560.5	496.7
Net earnings (before tax)	-48.8	112.8	-43.4	105.7
Net earnings (after tax and minority rights)	-67.0	71.8	-144.9	72.7
Net earnings per share (in euro) ³	-	0.8	-	0.8
Structure indices				
Net loans and advances to customers / Total assets (%)	73.1	71.2	72.5	70.3
Bonds ¹ / Total assets (%)	10.5	12.8	10.5	11.6
Provisions / Gross loans and advances to customers (%)	3.5	2.9	3.5	2.7
Profitability and efficiency ratios				
Net interest margin (%)	3.7	3.6	3.0	3.0
Return on average assets (ROAA) (%) ⁴	...	0.4	...	0.4
Return on average equity (ROAE) (%)	...	5.9	...	5.8
Cost-to-income ratio (%) ⁵	83.2	75.2	80.9	73.7
Capital adequacy (%)				
Basic capital adequacy ratio (Tier I)	9.1 ⁶	9.0	9.6	9.4
Aggregate capital adequacy ratio	11.7 ⁶	-	12.2	-
Number of employees				
	7,332	7,682	6,627	6,865
Credit ratings				
	Long-term		Short-term	
Standard & Poor's	BBB-		A-3	
Moody's	Baa1		P-2	
FITCH-IBCA	BBB		F3	

* The financial statements for 2004 are not comparable to those of the previous financial period, as: (a) by decision of the Board of Directors of Emporiki Bank, taken at its meeting of 14.5.2004 and approved by the Ministry of Development on 10.12.2004, the Bank's subsidiaries EMPORIKI INVESTMENT BANK S.A., EMPORIKI INVESTMENT FUND S.A., EMPORIKI FACTORING S.A. and EMPORIKI VENTURE CAPITAL S.A. were merged by absorption with the Bank; and (b) by decision of the Board of Directors of Emporiki Bank, taken at its meeting of 14.12.2004 and approved by the Ministry of Development on 24.3.2005, the Bank's subsidiaries CADMUS INVESTMENTS AND CONSULTING SERVICES S.A., CADMUS INVESTMENT INITIATIVES S.A. and CADMUS BUSINESS ENTERPRISES S.A. were merged by absorption with the Bank.

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

²Total operating costs are defined as the sum of General Administrative Expenses, Depreciation, and Other Operating Expenses.

³Net earnings per share are calculated based on net earnings after tax and minority rights and using the weighted total number of shares in each year.

⁴The "Return on Average Assets" and "Return on Average Equity" ratios are calculated on the basis of profits after tax over average assets and equity respectively, using averages of year-end figures.

⁵The cost-to-income ratio is defined as Total Operating Costs over Gross Operating Income.

⁶Estimate.

1. BOARD OF DIRECTORS OF EMPORIKI BANK OF GREECE S.A.

1. George A. Provopoulos,

Chairman of the Board and Chief Executive Officer,
Associate Professor at the University of Athens - Economist, Executive Member

2. Leonidas A. Zonnios,

General Manager,
Banker, Executive Member

3. Nicholas Th. Beis,

General Manager,
Banker, Executive Member

4. Phokion Ph. Dimakakos,

Bank Employee - Economist, Executive Member

5. Nikos M. Ebeoglou,

Mechanical-Electrical Engineer (NTUA) / Business Consultant,
Independent Non-Executive Member

6. Marguerite L. Zoulovits,

Economist, Independent Non-Executive Member

7. Dimitris P. Krontiras,

Pensioner, Independent Non-Executive Member

8. Christos G. Bratsiakos,

Banker, Executive Member

9. Bernard Dewit,

Bank Executive, Non-Executive Member

10. Jean-Luc Perron,

Banker, Non-Executive Member

11. Panagiotis N. Tsakos,

Captain (MN), Non-Executive Member

12. Angeliki N. Frangou,

Mechanical-Electrical Engineer, Non-Executive Member

13. Ioannis G. Fotopoulos,

Lawyer LLD - Tax Consultant, Non-Executive Member

All members of the Board of Directors (BoD) were elected at the Regular General Meeting of the Bank's Shareholders held on May 14th, 2004, with the exception of: (a) Mr. Christos Bratsiakos, elected by the BoD at its meeting on September 27th, 2004, replacing the resigned Director Mr. Andreas Bekiaris; (b) Mr. Panagiotis Tsakos, elected by the BoD at its meeting on November 29th, 2004, replacing the resigned Director Mr. Nikolaos

Tavoularis; and (c) Mr. Bernard Dewit, elected by the BoD at its meeting on December 21st, 2004, replacing the resigned Director Mr. Michel Le Masson.

The tenure of all Directors expires on the day on which the initial or deferred Regular General Meeting of the Bank's Shareholders for the year 2008 will be held.

SHORT CURRICULA VITAE OF THE MEMBERS OF THE BOARD OF DIRECTORS

Chairman of the Board and Chief Executive Officer

George Provopoulos

Born in 1950. He was appointed Chairman and Chief Executive Officer of Emporiki Bank in March 2004. He is a graduate of the Department of Economics of the University of Athens Law School and holds a Master of Arts (M.A.) and a Ph.D. in Economics from the University of Essex. Since 1979 he has been Associate Professor in the Department of Economics of the University of Athens. He has been the recipient of the Award of the Class of Ethical and Political Science of the Academy of Athens. From 1994 to March 2004 he served as Financial Advisor at Alpha Bank. He has also been General Manager of the Foundation for Economic & Industrial Research (IOBE, 1993-1997); Deputy Governor of the Bank of Greece (1990-1993); Chairman of the Board of Directors of the Centre for Planning and Economic Research (KEPE, 1989-1990); and Chairman of the Economic Experts Council (SOE, 1989-1990).

General Manager

Nicholas Beis

Born in 1952. He was appointed General Manager of Emporiki Bank in April 2004. He is a graduate of the School of Economics of the University of Athens, and holds a Bachelor of Science (B.Sc.) in Mathematical Economics from the New York Institute of Technology and a Master of Arts (M.A.) in Applied Economics from New York University, U.S.A. From 1994 to March 2004 he worked at Piraeus Bank, where he served as General Manager from 1997 onwards. From 1992 to 1994 he was a senior executive with the ABN AMRO Bank Group, from 1987 to 1992 he was an executive at Barclays Group, and from 1983 to 1987 he worked at the Investment Bank S.A.

General Manager

Leonidas Zonnios

Born in 1951. He was appointed General Manager of Emporiki Bank in April 2004. He is a graduate of the Department of Economics and Political Science of the University of Athens and is a professionally certified Credit Risk Manager. Prior to joining Emporiki Bank he was a senior executive with American Express Bank for many years, participating in all of the Bank's restructuring activities in Greece, including the planning of its subsidiary American Express.

Executive Member

Phokion Dimakakos

Born in 1962. He holds a degree from the Economics Department of the University of Piraeus. He has been working at Emporiki Bank since 1988. He has been elected to the General Board of the Hellenic Federation of Bank Employee Unions (OTOE), and has been serving as an Elected Representative of Employees on the Board of Directors of Emporiki Bank since 2000.

Non-Executive Member

Bernard Dewit

Born in 1959. He holds postgraduate degrees in Applied Economics and in Business Administration. He has been the Head of the International Subsidiaries Division of Crédit Agricole since 2001, and he is also a member of the Boards of Directors of various subsidiaries of the same bank (in Portugal, Belgium and in other countries).

Independent Non-Executive Member

Nikos Ebeoglou

He is a graduate of the National Technical University of Athens (NTUA), and has followed postgraduate studies in Operational Research. He has been the Managing Director of the Athens Laboratory of Business Administration (ALBA) since its establishment in 1992, a member of the Board of Directors of the Foundation for Economic and Industrial Research (IOBE) since 2002, and a member of the Board of Directors of PETROS PETROPOULOS INDUSTRIAL AND COMMERCIAL S.A. since 2003.

Independent Non-Executive Member

Marguerite Zoulovits

She is a graduate of the Department of Economics of the University of Athens Law School. She is a member of the Board of Directors of the family-owned "Sons of Ath. Zoulovits Commercial S.A.", in charge of the company's Marketing and Merchandising Department.

Independent Non-Executive Member

Dimitris Krontiras

He was one of the founding executives of Citibank Greece, where he held a number of executive positions. In 1988 he was appointed General Manager for Citibank's Operations in Greece, and in 1996 he assumed supervision of Private Banking. He voluntarily left Citibank in 1998.

Executive Member

Christos Bratsiakos

He is a graduate of the School of Banking Studies and has been working at Emporiki Bank since 1978. He has had extensive training in banking, financial and management issues.

Non-Executive Member

Jean-Luc Perron

Born in 1952. He holds degrees in Philosophy and in Law, and is a graduate of the French National Public Administration School (École Nationale d' Administration - ENA). Since May 2002, he has been a Special Adviser to the General Manager of Crédit Agricole S.A. During his long career at Crédit Agricole, he has held important positions and has served as Executive Vice-Chairman since 1997.

Non-Executive Member

Panagiotis Tsakos

Born in 1936. He studied Chartering and Insurance in the UK. In 1970 he founded TSAKOS SHIPPING AND TRADING S.A., a company which is now the backbone of the TSAKOS Group of companies.

Non-Executive Member

Angeliki Frangou

Born in 1965. She holds a B.Sc. in Mechanical Engineering from Fairleigh Dickinson University (U.S.A.), a Master's Degree from Columbia University, and an M.B.A. from New York University. In 1990 she founded a maritime company and today she is Managing Director of Maritime Enterprises Management S.A.

Non-Executive Member

Ioannis Fotopoulos

He holds a degree in Political Science and Economics and a Ph.D. from the Law School of the University of Athens. He has worked for twenty years as a senior Civil Servant in the Central Department of the Ministry of Finance's Directorate General for Taxation. Since 1985 he has been heading a Law office specialising in tax, corporate and real estate property.

2. THE PERFORMANCE OF THE STOCK SHAREHOLDER STRUCTURE

During the period from January 1st, 2004 to December 31st, 2004, the average price of Emporiki Bank's share was EUR 20.78. The share's minimum closing price was EUR 16.24 and was recorded on August 20th, 2004, while its maximum closing price was EUR 24.48 and was recorded on November 18th, 2004. From December 31st, 2003 to December 31st, 2004, the price of Emporiki Bank's share increased by 17.1%.

Capitalisation of Emporiki Bank on December 31st, 2004 totalled EUR 2.06 billion, corresponding to around 6.5% of the capitalisation of listed banks and to around 2.2% of the capitalisation of all enterprises listed on the primary and secondary markets.

In 2004, the value of transactions on Emporiki Bank's shares as a percentage of the total value of transactions in the banking sector and in the Athens Stock Exchange (ASE) was 5.1% and 1.6%, respectively. A total of 26,336,180 shares of Emporiki Bank were traded on the ASE during 2004 and represented 29.8% of the Bank's shares.

On December 31st, 2004, the share capital of Emporiki Bank was divided into 88,260,978 shares, which were owned by individuals and by legal entities. Specifically, Greek institutional investors owned 38.24% and other Greek shareholders owned 26.93%. Crédit Agricole held 10.75% (including the voting rights of Aegean Finance) and the Public Enterprise for Liquid Assets (DEKA) held 9.16%. Emporiki Bank Group subsidiaries held 1.26%, while foreign shareholders held 8.49%. Emporiki Bank held 5.17% of the share capital.

Shareholder Structure of Emporiki Bank of Greece S.A. December 31st, 2004

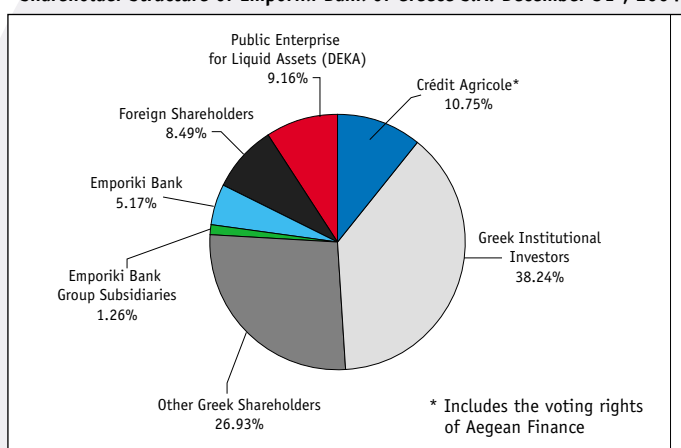


Table 1: Capitalisation of Emporiki Bank and value of transactions on Emporiki Bank's shares, 2002-2004

	2002	2003	2004
Capitalisation of Emporiki Bank on December 31 st (EUR million)	1,239.1	1,711.8	2,058.3
Capitalisation of Emporiki Bank/ Total Banks (%) on December 31 st	8.0	7.3	6.5
Capitalisation of Emporiki Bank/ Total ASE (%) on December 31 st *	1.9	2.0	2.2
Average Daily Trading Volume of Emporiki Bank (number of shares)	82,207	73,483	104,094
Value of Transactions on Emporiki Bank's shares (EUR million)	470.4	281.3	564.6
Value of Transactions on Emporiki Bank's shares / Total Banks (%)	14.4	4.4	5.1
Value of Transactions on Emporiki Bank's shares / Total ASE (%)*	1.9	0.8	1.6

Sources: ASE Monthly Statistical Bulletin (December 2002 to December 2004) and Reuters.

* Includes both the Primary and Secondary Markets

3. ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Ladies and Gentlemen,

One year after assuming responsibility as Chairman and Chief Executive Officer of Emporiki Bank Group, I am now in a position to inform you about the progress concerning the restructuring of the Group and the efforts made to modernise it in order to render it more efficient and competitive and make it capable of successfully meeting the challenges of the ever-changing financial environment.

The Group has commenced significant and wide ranging changes throughout all levels of operations. Substantial initiatives are being carried out in order to consolidate the dynamic presence of Emporiki Bank in the market and to promote its competitive advantages. We have boldly brought to the fore persistent pending issues from the past which impacted on the Bank's dynamism and undermined its status and credibility. We have taken bold steps to obleviate these adverse factors once and for all as reflected in the Balance Sheet and Profit and Loss Account for 2004, not only for the Bank but also for the companies of the Group (e.g. Phoenix Metrolife), by strengthening their transparency and credibility and –in an effort to maintain equity levels– by opting not to distribute a dividend.

We have formulated a new corporate strategy with the objective of achieving high rates of earnings growth, improving productivity and enhancing the return on equity. A new, flexible organisational structure has been adopted with retail and wholesale banking forming the central pillars under which all other Bank subsidiaries have been organised, thus allowing a group philosophy and culture to function in day-to-day operations while maximising synergies. We have also proceeded with the substantial upgrading of the role of Branch Managers and Regional Divisions. Changes have also been made in head-office divisions, with the creation of new staff units (MIS Division, CFO Office, Compliance Office etc.) and the establishment of committees and boards that will assist in making the new structure fully operational and efficient.

Particular attention has been placed on effectively managing operating costs. Within this context, the Bank has re-examined its participations both in Greece and abroad. In this respect, seven subsidiary companies were absorbed and merged with the Bank, while three more subsidiaries have been placed under liquidation.

The Group is reassessing its international presence in order to become more profitable. Our aim is to reinforce our presence in neighbouring countries (Romania, Bulgaria and Albania), where we believe that we can achieve higher returns within a reasonable period of time. At the same time, the Group is downsizing its presence in less profitable regions, such as the UK and Germany, while it is our intention to withdraw from distant countries, such as Armenia and Georgia.

We have also undertaken other actions in order to control costs, such as the program to limit general administrative costs and the redesigning of the physical layout of administrative services. In addition, an early voluntary retirement scheme was completed for the Bank and the Group personnel, which resulted in a considerable reduction in the number of personnel in the Bank and the Group, thus providing the opportunity for the promotion of younger executives to more responsible positions.

Despite the magnitude and extent of the changes involved, the implementation of the new strategy did not have a negative impact on the Bank's market position. In 2004, Emporiki Bank's market share remained at 10.5% in loans to the private sector and 9.5% in total deposits. What is more, in certain loan categories such as housing and consumer loans, the Bank's share registered a slight increase despite fierce competition.

By adopting the principles of a customer-oriented conception, Emporiki Bank seeks to enhance customer relationships and to progressively expand the range of services it offers to all key customer categories (retail customers, small and medium-sized enterprises and large corporations). New, innovative and flexible products have been added to the Group's traditional product lines, some of which were created using the know-how of our strategic partner Crédit Agricole.

With the "Pegasus" restructuring program nearing completion, the Bank's extensive branch network has

acquired a new dynamism. At the same time, the Bank has commenced the restructuring and re-location of the branch network in order to fully meet the requirements of local markets and to exploit their potential. In this respect, an extensive program of branch mergers and relocations is underway, while at the same time, new branches are opening in markets which have been recently upgraded and where the Bank was not present. Rationalisation of the branch network is not limited to Greece, but extends to our presence abroad as well.

At the same time, along with the reorganisation of the branch network, alternative sales networks are being enhanced in order to ensure that the Bank is able to respond all the more efficiently to its customers' needs. Our goal is to boost cross-selling, placing emphasis on modern financial products. Moreover, in order to promote sales and boost business activities, a scheme of incentives for branch personnel is being implemented for the first time.

I believe that special reference should be made to the social security issue -a problem also faced by other banks in the country. It is, however, of particular concern to our Bank. Being fully aware of this problem, I myself have personally worked towards achieving a solution and I have devoted a great deal of my time in order to assist in resolving it.

In the past, Emporiki Bank Group was one of the most important financial groups in the Greek market. The vision of an outward-looking and dynamic Group, becoming a strong regional player, represents the common objective of the Group's Management, staff and shareholders.

I firmly believe that the restructuring program which is being implemented constitutes a major step forward which will help us to achieve the goals that we have set and to effectively deal with the competition. Having laid the foundations for a new course of growth, we can now look forward to the future and concentrate our efforts on ensuring the dynamic development of the Bank and of the Group, which will bring about numerous and long-lasting benefits not only for the Group but also for its shareholders and human resources.

George A. Provopoulos
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
EMPORIKI BANK

4. DEVELOPMENTS IN THE GLOBAL AND DOMESTIC FINANCIAL ENVIRONMENT

Global economic developments

Global economic activity accelerated by 5% in 2004 from 3.9% in 2003. This development was due to the acceleration of economic growth rates both in developed and in developing countries as well as in the countries of Central and Eastern Europe.

As regards the major economies, in the USA the real gross domestic product grew by 4.4% (2003: 3%), in the Eurozone by 1.8% (2003: 0.6%) and in Japan by 4% (2003: 2.5%).

Despite the acceleration of economic activity, inflation remained at a low level during 2004. According to the headline consumer price index, it stood at 2% in the USA and at 1.9% in the Eurozone. In Japan, consumer prices continued to decline during 2004 (-0.1%), although at a slower rate compared to 2003.

Fiscal policy remained accommodative in most of the developed countries during 2004. Monetary policy became progressively more stringent in countries where economic growth rates accelerated. In particular, in the USA the Federal Reserve Bank increased its base rate by a total of 125 basis points, to 2.25%. The European Central Bank retained its minimum bid rate on main refinancing operations unchanged at 2%, as inflation remained at a low level and economic activity was subdued.

The rate of increase of global economic activity is expected to slow down to 4.3% in 2005. High oil prices, together with the USA's widening current account deficit and high budget deficit, are sources of concern regarding the course of the global economy. In any case, international organisations (OECD, IMF) agree in their estimates that for the current year the growth rates of developing countries, especially those in Asia, as well as in Central and Eastern Europe, will be higher compared to those in developed countries.

Developments in the Greek economy

In 2004 the growth rate of the Greek economy, according to estimates of the Ministry of Economy and Finance, stood at 3.7% (2003: 4.5%). The growth of real GDP was mainly due to the increase in private consumption and investment as well as to the recovery in the exports of goods and services. Nevertheless,

investments contributed less compared to previous years, as their growth rate slowed down considerably after the completion of the projects for the 2004 Olympic Games.

Inflation, according to the national consumer price index, fell to 2.9% in 2004 (2003: 3.5%). The appreciation of the euro against the US dollar contributed to curbing inflationary pressures. Core inflation, as measured by the percentage change of the national consumer price index excluding fresh fruit and vegetables and fuels, stood at 3.3% (2003: 3.2%). It is worthwhile noting that, according to the harmonised consumer price index, the inflation differential between Greece and the Eurozone was limited to 0.9 points in the previous year. The higher inflation rate of the Greek economy may be attributed to its higher growth rate compared to the Eurozone.

In the area of public finance, following the fiscal audit, the general government deficit and debt are expected to reach levels exceeding the initial estimates of 5.3% and 112.1% of GDP respectively for 2004.

Overall, the prospects for the Greek economy in 2005 are positive. Emphasis will be placed on reinstating fiscal balance, as Greece has committed to bringing the general government deficit back to the Stability and Growth Pact limit (3% of GDP) by 2006. Budget revenues are expected to be boosted by around EUR 1.6 billion through the implementation of the privatisation program. The policy for privatisation aims to restructure public enterprises, deregulate markets and attract investments from the private sector.

Economic activity will remain strong as long as oil prices are contained at levels lower compared to the previous year, and the external environment of the economy is favourable. If these conditions are not fulfilled, the growth rate may drop to a level lower than that of 2004. However, it is estimated that it will still be higher than the expected average growth rate of the Eurozone member-countries, thus allowing further progress of real convergence with the Eurozone.

Developments in the domestic banking system

At the end of 2004, total bank loans to businesses and households reached EUR 117.2 billion, registering an annual growth rate of 15.8%, compared to 17% at the end of 2003. This slight slowdown was due to the lower growth rate of loans to businesses (2004: 7.5%, 2003:

10.8%). On the contrary, loans to households increased at a slightly higher rate (2004: 28.5%, 2003: 27.6%).

The relatively low growth rate of loans to businesses was due, among other things, to the increased issuance of corporate bonds, with which businesses repay bank loans. The slowdown was particularly significant in loans to tourism (2004: 15.8%, 2003: 20.2%) and to the category "other sectors" (2004: 11.0%, 2003: 24.2%). Loans to industry registered a negative annual growth rate (2004: -1.2%, 2003: 10.5%), a development attributed not only to the issuance of bonds but also to share capital increases raised by industrial enterprises through the Athens Stock Exchange. An acceleration was recorded in the annual growth rate of loans to trade (2004: 14.0%, 2003: 5.4%) and to agriculture (2004: 5.4%, 2003: 1.9%).

The acceleration of credit expansion to households was due exclusively to the acceleration of the growth rate of consumer loans (2004: 37.4%, 2003: 27.2%). The annual growth rate of housing loans in 2004 was approximately at the same level as in the previous year (2004: 24.8%, 2003: 25.0%).

As a result of the rapid credit expansion to households during recent years, the ratio of loans to households (consumer, housing and other loans) over GDP is gradually approaching –although still at a considerable distance from it– the corresponding Eurozone average. At the end of 2004, it stood at 31.4% whereas in the Eurozone it was 50.3%.

Total deposits in the banking system amounted to EUR 128.4 billion at the end of 2004, registering an annual growth rate of 10.9% compared to 10.5% at the end of 2003. The annual growth rate of savings deposits accelerated considerably (2004: 13.5%, 2003: 7.8%). The slight increase in the interest rates of this category of deposits, at a time when yields of other placements were decreasing, accounted for this acceleration.

Repurchase agreements (repos) amounted to EUR 9.1 billion at the end of 2004, registering a decrease of 12.4% compared to the end of 2003. It is interesting to note that during 2004 the annual rate of decrease of repos decelerated considerably.

In 2004 interest rates on new bank deposits by households declined by 8-9 basis points, while those on new deposits by businesses were reduced by 4-15

basis points. The interest rate differential between Greece and the Eurozone remained positive during the previous year, as no significant changes in deposit interest rates occurred in the Eurozone.

The interest rates on all categories of loans showed a declining trend. The highest reduction was recorded in the interest rates on new consumer loans without a defined maturity, as well as in the interest rates on new loans with floating or fixed interest rate for up to one year. Despite their decrease, loan interest rates are still higher than the corresponding rates in the Eurozone. This indicates the relatively higher uncertainty of Greek banking institutions regarding bad debts and the costs associated with their recovery, as well as the differences between Greece and the Eurozone regarding the securities provided and the terms and conditions for the loans granted.

5. STRATEGY OF EMPORIKI BANK GROUP

Emporiki Bank Group is modernising and restructuring by adopting a new strategy in order to effectively respond to the demands of the modern financial environment. The main objective of this new strategy is to continuously improve the competitive positioning of Emporiki Bank Group, so that it may assume the role of a powerful regional player as a modern and dynamic financial services group.

The new strategy is based on the following axes: achieving high growth rates of operating income from key operations (retail and wholesale banking), efficiently managing operating expenses and optimising the allocation of capital within the Group with the objective of boosting return on equity in the medium term. In this respect, a series of actions were carried out aiming at restructuring the Group and specific corporate priorities were identified to gradually improve the Group's profitability.

The first major change that took place during the fiscal year 2004 concerned the Group's organisational structure and was dictated by the need to meet customer service requirements. The new organisational structure of the Group is characterised by flexibility and in practice applies a group philosophy and culture, with emphasis on the clear division of responsibilities between retail and wholesale banking. Special emphasis was placed on upgrading the role of Branch and Regional Managers in combination with the introduction of incentives.

Depending on their scope of activity, the Group's subsidiaries were organised under the retail and wholesale banking sectors to complement the range of products and services offered by the Bank. At the same time, support operations were also upgraded to function at Group level in order to improve service quality. From now on, Emporiki Bank's participations in its subsidiaries will be continuously evaluated in terms of their cost, profitability, synergy and efficiency. In 2004 the decision was made to absorb and merge seven subsidiaries with the Bank, while three domestic subsidiaries were placed under liquidation. At the same time, specific measures were taken to rationalise the network abroad.

The main axis of the new strategy of the Group is the upgrading and the more dynamic management of customer relationships in the context of a modern customer-oriented conception. This is being achieved

with the provision of a comprehensive range of competitive products, and the more effective exploitation of the Bank's extensive network. In this direction, the completion of the "Pegasus" restructuring program, which is a strategic priority, will be extended to all of the Bank's branches by the end of 2005.

Emporiki Bank Group aims at achieving profitable growth of its business activities, with priority being given to specific actions. In the retail banking sector, which is a key strategic area for business growth, the range of services offered to retail customers and small and medium-sized enterprises is being expanded. As regards large corporations, the loan portfolio is being restructured on the basis of lending interest margins and on the basis of the customer's relationship with the Group. Top priority is also being given to the exploitation of synergies between the branch network and direct banking (ATMs, Mobile Banking, Internet Banking), to the continuous improvement of the promotion procedures for the Bank's and its subsidiaries' products, to drawing on the additional know-how available through the strategic alliance with Crédit Agricole, and to boosting cross-selling with emphasis being placed on investment and insurance products.

The second major change introduced in 2004 was aimed at business growth and concerned the institution and application, for the very first time, of a scheme of incentives for branch network personnel linked to the achievement of specific objectives. The key parameters of this scheme extend beyond attracting new customers and promoting cross-selling, to include actions for ensuring the best loan portfolio quality. Besides, since 2004 the development of the Group's activities has taken place, using modern techniques for credit risk assessment and management. More specifically, a Credit Control Division has been established within both the retail and wholesale banking sectors, so that the credit recommendation and approval procedures are separated. The new procedure provides the institutional framework for ensuring the more effective management of the existing loan portfolio and guarantees a better quality of new loans granted. Additionally, in line with Basle II regulations, a stricter credit rating system for the Group's corporate customers is being adopted.

The third major change introduced in 2004 was also directly related to the strategic priorities of Emporiki

Bank Group and concerned effective cost management. The absorption of the Group's subsidiaries and the completion of the voluntary retirement scheme will significantly contribute from now on to the reduction of costs. In addition, programs to reduce general administrative expenses were implemented as an immediate priority and are still in progress. In 2004, drastic cuts were made in certain categories of expenses not directly related to the Group's productive activities. In addition, supply contracts were re-negotiated and the physical layout of administrative services was completely redesigned. During the current year a number of new measures aimed at further reducing operating costs are being implemented, while efforts are also being made towards the more effective use of the Group's human resources in order to improve productivity.

Reinforcement of the Bank's capital adequacy and restructuring of its liquidity were key concerns during the fiscal year 2004. To this end, two bond loans with a nominal value of EUR 750.0 million were issued. One of the loans was a subordinated bond loan (Tier II) with a nominal value of EUR 350 million. The infrastructure required for issuing hybrid capital has also been completed.

Finally, the Bank has proceeded with the upgrading of its performance and profitability measurement systems. To this end, a Management Information Systems (MIS) Division has been created for systematically monitoring the profitability and cost at the level of operating units, of customers and of products, and for ensuring that Management is supplied with prompt and reliable information on these issues.

During the course of the past year, the foundations were laid for a new course of growth for the Bank. The Bank can be confident from now on about the future, concentrating its efforts on achieving its goals.

6. ACTIVITIES OF EMPORIKI BANK GROUP

A. RETAIL BANKING

Emporiki Bank places particular emphasis on developing its retail banking activities. In 2004, the Bank developed centralised sales programs and strengthened the co-operation with the Group subsidiaries, as well as with third parties, in order to promote its retail banking products. The outstanding balance of loans to households and to small and medium-sized enterprises increased by around 23% and represented 71% of the Bank's total loans.

Housing credit

In 2004, the Bank strengthened its share in the housing credit market, achieving a higher growth rate of its outstanding loan balances compared to that of the market. During 2004, a total of 17,500 new housing loans were disbursed, the majority of which consisted of the "Home Extra" loans. "Home Extra" is a housing loan product with its interest rate linked to the prime interest rate of the European Central Bank.

Emporiki Bank has established a uniform framework for the conversion of floating-rate housing loans to fixed-rate ones and vice versa, in order to provide better services to its existing customers and improve income. In addition, the Bank introduced a differentiated pricing policy, with the intention of gaining new high-income customers. At the same time, the Bank proceeded with the revision of its framework of co-operation with the Group subsidiaries, as well as with third parties, and centralised the loan approval procedures, thus boosting the mass sales of housing loans.

The Bank's strategy for 2005 focuses on further strengthening its position in the market, on introducing new innovative products, on improving customer service and on developing the skills and know-how of Customer Relationship Officers in order to further increase customer satisfaction levels. During the first six months of 2005, the range of housing credit products offered will be further expanded with the addition of fixed-rate housing loans with a maturity of 7-15 years, and of a floating-rate housing loan with protection against interest rate fluctuations. One additional priority is to introduce new loan repayment facilities offering greater flexibility to customers.

Consumer credit

In 2004 Emporiki Bank also strengthened its position in the consumer credit market. A total of approximately 66,400 new consumer and personal loans were granted during the year, with priority being given to coordinating the development of sales of consumer credit products through cross-selling programs involving the sale of open account personal loans and credit cards to existing customers.

In 2005, the Bank's objectives are to reinforce its presence in the market, to develop packages of products, to exploit the existing client base through centralised cross-selling programs, to enhance products with new features and functions and to centralise the procedure for granting consumer loans without collateral.

The operation of the consumer credit bank Emporiki Credicom, the share capital of which is equally held by Emporiki Bank and Sofinco, a subsidiary of Crédit Agricole, has also contributed to reinforcing the Bank's position in the consumer credit market. The company's share capital was increased by EUR 15.9 million in 2004, with Emporiki Bank and Sofinco each participating with 50% in the increase. Credicom has undertaken the management of wholesale consumer finance and offers consumer loans, open credit (with or without credit cards) and consumer factoring, using consumer goods retail sales outlets as its marketing and customer service points.

Emporiki Credicom S.A. Financial Highlights

(in EUR million, on 31.12.2004)*

Total assets	100.2
Share capital	33.9
Shareholders' equity	24.5
Profit before tax	-9.4
Direct & Indirect Bank participation (%)	50.0

*Figures refer to the accounting period from 1.9.2003 to 31.12.2004.

Credit cards

Emporiki Bank issues credit and debit cards to private individuals, credit cards in co-operation with enterprises, as well as business cards. During 2004 the Bank issued some 54,000 new credit cards. Emphasis was placed on implementing promotional programs with the objective of expanding the client base as well as the more systematic use of cards by existing customers.

Emporiki Bank was the very first bank in Greece to offer the Emporiki Bank Secure service, which offers the holders of credit cards issued by the Bank security for purchases made on the Internet. The provision of this service has been certified by the international organisations Visa and Mastercard International in compliance with the standards they have set regarding the security of Internet-based transactions.

In 2004, the Bank also obtained certification for issuing Visa chip cards. In addition, the Bank is certified by the International Visa organisation for issuing Visa chip cards meeting the EMV (Europay Mastercard Visa) standards. These standards, established by the Visa and Mastercard organisations, offer card holders and co-operating enterprises a very high level of security for carrying out their transactions using credit cards. Within 2005, the Bank will also obtain certification for issuing Mastercard chip cards meeting the EMV standards.

In the current year, Emporiki Bank aims to reposition its credit card portfolio across customer segments, to improve customer service, to introduce new cards (e.g. Gold Mastercard) and to enhance existing cards by adding new features, as well as to rationalise the pricing of credit cards.

As regards cards acquiring through POS, Emporiki Bank established 3,903 new relationships with enterprises. At the end of 2004, the Bank had a total of 32,730 POS (Points of Sale) devices available, of which 29,830 were installed by the Bank itself. POS devices have been upgraded to comply with the EMV standards. Plans for 2005 include the redeployment of POS devices and the revision of their pricing with the aim of increasing the value of transactions. At the same time, the Bank will continue to further promote the immediate discount of sales made with interest-free credit card instalments, a service also provided to businesses since last year.

Lending to small and medium-sized enterprises

Emporiki Bank places particular emphasis on the financing of small and medium-sized enterprises (SMEs), as part of its efforts to expand its activities in this area.

In 2004, the Bank provided financing to more than 32,000 SMEs and established some 7,000 new business relationships. The revision of the pricing policy for each customer, in combination with the restructuring of the

customer portfolio, resulted in an improvement in the interest rate margin.

The "Easy Business" line of products continued to successfully meet the financing needs of small enterprises in the market. More specifically, the number of "Easy Business Open Business Loans" granted in 2004 almost doubled compared to 2003, reaching EUR 354.7 million in total approved credit lines with a high utilisation rate (70.5%). At the same time, in order to more effectively address the needs of medium-sized enterprises, the Bank continued, in the context of the "Pegasus" program, to adjust the customer service model through its Full Service Branches (KPE) by simplifying IT systems support procedures for credit management and by improving the quality of services offered.

In 2004, the Bank created the "Long-Term Business Loan to SMEs for Investments in Fixed Assets", drawing on funds provided by the European Investment Bank, to support investments in various sectors of economic activity. It also created an open account with a one-week Euribor interest rate, meeting the working capital needs of SMEs. Furthermore, with the launching of its collaboration with the Credit Guarantee Fund of Small and Very Small Enterprises (TEMPME), the Bank developed and offered two new products to SMEs not possessing adequate collateral for meeting their short to medium-to-long term needs. In the context of this collaboration, the Bank ranked first in the market for attracting SMEs.

During 2004, the Bank also continued to participate as a support mechanism for the evaluation of proposals submitted by SMEs under the 3rd Community Support Framework. In addition, the Bank organised or participated in syndicated and bond loans to SMEs.

The key objectives for 2005 include the further improvement of the Bank's presence in the SMEs market, the improvement of the quality of the SMEs portfolio and its restructuring in favour of small enterprises, and the creation of new packages of products in order to address effectively the special needs of each customer. Emphasis will be placed on further improving the quality of service provided to SMEs by centralising basic tasks and by upgrading e-banking services. An additional objective is to upgrade the role of the Bank's Customer Relationship Officers, with the aim of offering services tailored to each customer segment and of developing specialised financing proposals per customer segment.

B. WHOLESALE BANKING

I. BUSINESS LENDING

Corporate lending

During 2004, Emporiki Bank offered services and products to approximately 500 large corporations and business groups. In terms of existing customers, the Bank increased its credit expansion to enterprises with positive prospects and limited its lending to enterprises not meeting specific criteria. At the same time, the Bank established new business relationships with 20 large business groups.

In 2004, the Bank continued its collaboration with the Group subsidiaries both in Greece and abroad (Germany, the Balkans, London) offering large corporations integrated services by exploiting emerging synergies. The Bank also participated in 15 new syndicated and bond loans. It also organised 9 bond loans totalling EUR 148 million.

During 2004, a new IT application was completed and put into operation which allows the provision of direct and more comprehensive information to enterprises that are customers about the products and services offered by the Bank.

The objectives for 2005 are on the one hand to develop business relationships with selected existing and new customers in areas of activity which present opportunities and potential and on the other hand to offer innovative financing solutions based on products and services launched in Greece for the very first time in collaboration with the Crédit Agricole Group. Emphasis will also be given to restructuring the corporate loan portfolio, in order to improve the aggregate profitability per customer, while at the same time reducing credit risk.

Shipping

In the shipping sector, during 2004 the Bank focused on expanding its relationships with good quality existing customers, on attracting new customers, on improving the quality of services offered, on rationalising its portfolio and on increasing parallel business activities. The Bank was ranked third amongst the Greek banks active in this sector.

Ocean-going shipping accounts for 70% of the Bank's total shipping portfolio with the remaining 30%

corresponding to coastal shipping. It should be noted that 52% of the loans to ocean-going shipping were granted for the construction of new ships or for ships less than five years old.

The intense business activity in the shipping sector and the large number of ship purchases and sales led to a stagnation of the Bank's shipping loan portfolio. Financing of new ships increased significantly but was offset by early loan repayments due to the sale of ships. Noteworthy was the increase in income from loan agreements and from parallel business activities.

The Bank's strategy during 2005 will focus on expanding its client base with customers who are well established in ocean-going shipping, on organising and participating in syndicated financing schemes, on increasing income from the provision of banking services, and developing cross-selling with the other Bank's units and the Group subsidiaries. Another objective for 2005 is also to develop, within the year, a new evaluation/classification methodology for shipping loans, based on international standards and on the Basle II regulations.

Public Sector Organisations

The Bank traditionally holds a leading position in the market of Public Enterprises and Organisations (DEKO), Institutions and Public Entities, offering a broad range of loan products and banking services.

During 2004, the Bank's loan and banking services portfolio comprised 54 Public Enterprises and Organisations, 71 Hospitals and 221 Public Entities. In addition, the Bank is also active in the Local Government sector (Prefectures, Municipalities), where it maintains 237 business relationships providing all types of loans and other services.

The priority for 2005 is on the one hand to offer new products and services which compose a product package that fully supports and meets the customers' needs, and on the other hand to develop new business relationships, especially in the market of Local Government Organisations where great opportunities are emerging for synergies with the Group subsidiaries.

Structured Finance

In 2004 the Bank established a separate Structured Finance Division, staffing it with specialised executives of the Investment Bank, the Bank's absorbed subsidiary,

in order to consolidate its presence in this particular area where it is already a leading player.

The scope of activities of the Structured Finance Division includes the evaluation and financing of public and private sector projects. The Division is also systematically expanding its activities in real estate development and financing in collaboration with Emporiki Real Estate S.A.

By the end of 2004, the Division had undertaken a total of 31 projects, of which around 1/3 are being completed in collaboration with the Crédit Agricole Group. It has also provided financing and/or consulting services to large projects in Greece (Attiki Odos, the Rion-Antirion Bridge, Energiaki Thessalonikis S.A., Wind Parks, Hydroelectric and Thermoelectric Power Plants, Marinas etc.), and is also participating in projects abroad (Birmingham Expressway in the UK, AES Cartagena in Spain, Maritza East III in Bulgaria).

The objective for 2005 is to rapidly develop a portfolio in structured finance and to participate in the new self-financed and co-financed projects that will be tendered by the Hellenic State.

Financial Institutions Division

This Division supports and develops correspondent banking relationships of Emporiki Bank Group with credit institutions in Greece and abroad, while at the same time it also develops credit relationships with companies in the financial sector, such as factoring, leasing, investment services companies etc. In addition to credit financing activities, the Division also provides fiduciary services, deposit management services, services for confirmation of guarantees and other services in relation to activities in this area.

The objective for 2005 is to further expand the range of services provided and to actively promote them to existing and new customers in Greece and abroad.

II. INVESTMENT BANKING

Investment Services

Following the merger by absorption with its subsidiary Investment Bank S.A. in 2004, Emporiki Bank took over the investment services offered by it.

The Bank provides underwriting services (either as lead underwriter or underwriter), consulting services for the

initial listing of companies (IPO) on the Athens Stock Exchange (ASE), financial advisory services (on mergers, acquisitions, privatisations etc.) and it organises syndicated and bond loan issues. In 2004, the Bank participated in 10 public listings, 10 IPOs of companies on the ASE and 9 bond loans.

In 2005, the Bank's strategy in the investment services sector will focus on exploiting the favourable market conditions regarding the issuance of bond loans and the policy of the Hellenic State concerning the sale of shares it holds in Public Enterprises and Organisations. An additional goal is to provide financial advisory services to companies engaged in the process of restructuring their portfolio of participations. At the same time, the Bank will continue to provide syndicated loan services, consulting services for the listing of companies on the stock exchange, and financial advisory services on privatisations and acquisitions.

Brokerage Services

At the end of 2004, the Bank took over the brokerage services from its absorbed subsidiary Investment Bank S.A. Today, the Bank functions as an investment services company and is active in the Greek and international capital markets.

More specifically, the Bank offers trading services for shares, for public securities and for derivatives on stock market indices and individual stocks, while at the same time it also offers analyses and research on capital market issues. Its client base comprises mainly private customers of its network, holding companies and Greek institutional investors.

In 2004, the Bank's market share was low and stood at 2.21% (mainly due to the lack of collaboration of Investment Bank with the parent company).

Regarding 2005, a business growth plan has been developed with the objective of significantly increasing the Bank's market share in brokerage services. The key priorities for growth include attracting private customers throughout the network by exploiting the Bank's prestige for conducting secure financial transactions, penetrating the institutional investors market (both domestic and foreign) with the provision of additional services (analyses, cash management, fiduciary services etc.), and developing lending to selected customers through margin accounts. Finally, with the enhancement and upgrading of the Bank's operational systems, brokerage services will be offered through the e-banking and e-trading facilities.

Private Banking

In 2004, following the merger by absorption with its subsidiary Investment Bank S.A., Emporiki Bank took over the investment services offered by it.

During 2004, particular emphasis was placed on promoting investment products, the sale of which accounted for 45% of the overall results from private banking activities. Collaboration with the Crédit Agricole Group continued for foreign customers' portfolios, with a wide variety of bond issues (floating and fixed-rate issues, hybrid bonds etc.) and medium-to-long term guaranteed capital investment products. During 2004, the number of customers increased by 50%, a level that creates optimism for further penetration of and development in this specific market.

The key objectives for 2005 are to systematically develop the Bank's existing client base with the objective of doubling the number of business relationships, of expanding the range of products offered in collaboration with Crédit Agricole in Luxembourg and in Switzerland, and of developing synergies with the Group subsidiaries.

Venture Capital

In the context of the Group's restructuring activities, Emporiki Venture Capital S.A., a subsidiary of Emporiki Bank, was merged by absorption with the Bank in 2004. The company had seven subsidiaries and had made investments in Greece and abroad. The company's three subsidiaries with head-offices in Greece (Cadmus Investments and Consulting Services S.A., Cadmus Business Enterprises S.A. and Cadmus Investment Initiatives S.A.) were merged by absorption with Emporiki Bank and their merger was concluded in March 2005. The company's four subsidiaries with head-offices in Cyprus (Emporiki Venture Capital Developed Markets Ltd, Emporiki Venture Capital Emerging Markets Ltd, Emporiki Venture Capital Enterprises Ltd, Emporiki Venture Capital Funds Ltd) continue to operate as wholly-owned subsidiaries of the Bank.

The integration of venture capital activities under wholesale banking operations within the Bank aimed at centralising and more efficiently managing their portfolio.

Today, the Bank participates (directly or indirectly) in around 70 business ventures spanning across a geographical area including, besides Greece, Europe (both within and outside the European Union),

Russia and the USA.

During 2004, venture capital activities consisted of withdrawals (exits) from 6 existing participations with profits of approximately around EUR 8 million. At the same time, additional disbursements to existing participations were made, totalling EUR 3 million. It should also be pointed out that during 2004 additional provisions were made for the devaluation of participations, totalling around EUR 40 million.

The objectives for 2005 are to systematically reevaluate all existing participations, to gradually withdraw from those reaching maturity, and to selectively reinvest funds where significant opportunities emerge.

Asset Management

In the area of asset management for private customers, institutional investors and insurance companies, Emporiki Bank Group is active through its subsidiaries Ermis Mutual Fund Management Company S.A. and Emporiki Asset Management S.A. The Group has a long-standing and successful record of reliable, safe and highly profitable management of funds and assets.

(a) ERMIS Mutual Fund Management Company S.A.

In the area of mutual fund management, the Group has been active through Ermis Mutual Fund Management Company S.A. since 1974. Emporiki Bank participates with 71.7% in the share capital of the company, the other major shareholder being Crédit Agricole (20%), and the remaining 8.3% held by Merrill Lynch and third parties.

ERMIS Mutual Fund Management Company S.A. Financial Highlights (in EUR million, on 31.12.2004)

Total assets	30.0
Share capital	0.2
Shareholders' equity	18.8
Profit before tax	0.3
Direct & Indirect Bank participation (%)	71.7

At the end of 2004, the assets under management by the company stood at EUR 2,079 million. The company ranked fourth in the market in terms of assets. The annual returns of all types of mutual funds managed by the company were satisfactory compared to the market. At the end of 2004, the company's portfolio of mutual funds comprised money market funds (68.5%),

equity funds (16.4%), bond funds (12.4%), and balanced funds (2.7%).

During 2004, the design of a common customer coding system with Emporiki Bank began in line with the Group's customer-oriented conception. The company also obtained ISO 9001:2000 certification.

The objectives of Ermis Mutual Fund Management Company S.A. for 2005 are to provide new products in collaboration with Emporiki Bank, and to exploit the network of the Group's insurance company, Phoenix Metrolife Emporiki, for promoting mutual funds. Plans also include the upgrading of the services offered with the introduction of an Internet-based Customer Service and with the operation of the Disaster Recovery Centre.

In 2005, Ermis Mutual Fund Management Company S.A. will expand its activities to other sectors, benefiting from the changes in the institutional framework (Law 3283/2004) which allows mutual fund management companies to engage in a broader scope of activities.

(b) Emporiki Asset Management

In the area of institutional asset management activities, Emporiki Bank Group is active through its subsidiary Emporiki Asset Management S.A. (E-AM). Emporiki Bank participates with an 80% stake in the share capital of the company, while Crédit Agricole Asset Management (CA-AM) holds the remaining 20%.

Emporiki Asset Management S.A. Financial Highlights (in EUR million, on 31.12.2004)

Total assets	4.9
Share capital	6.0
Shareholders' equity	4.2
Profit before tax	-0.3
Direct & Indirect Bank participation (%)	80.0

The company's key target customers are mutual fund management companies, portfolio investment companies, insurance organisations and companies, as well as other large public and private organisations and enterprises. At the end of 2004, the total funds managed by the company exceeded EUR 650 million.

In 2004 portfolio returns stood at satisfactory levels. The customers' portfolios consist of a variety of investment categories, while the services offered also include brokerage and fiduciary services, especially to Emporiki

Bank Group's companies but also to large Greek and foreign credit institutions.

New relationships were initiated in 2004 with the provision not only of asset management but also of advisory services. A factor restricting the speed at which the expansion of the company's activities takes place is the regulatory framework, which imposes limitations on the provision of management consulting services to insurance organisations.

E-AM collaborates with CA-AM for the promotion of the latter's products. This mainly refers to the "VaR 2" (dynamic money market mutual fund) and "VaR 4" products. The approval for the distribution of "VaR 2" was provided by the Capital Market Commission in October 2004, and the approval for "VaR 4" was provided in February 2005. E-AM also represents the Luxembourg-based mutual funds "Crédit Agricole Funds".

In 2005, Emporiki Asset Management will seek to expand its collaboration with CA-AM and to offer Greek institutional investors asset management services in international markets through CA-AM, while awaiting the full harmonisation of the Greek regulatory framework with the corresponding one in the European Union.

C. TREASURY MANAGEMENT

Emporiki Bank actively participates in the interbank money markets, foreign exchange and Greek government bond markets. In 2004 the Bank improved its overall position in the primary dealers market and was ranked eighth, while it achieved the second highest trading volume in the secondary market. As of the end of 2004, the Bank has been offering its customers a new line of deposit products with guaranteed capital.

The plans for 2005 involve the creation of deposit and loan (housing credit) products in order to attract new customers to the branch network. At the same time, the Bank will expand its activities in the money and foreign exchange markets and will merge its corporate and government bond operations in order to fully exploit the resulting synergies.

D. OTHER ACTIVITIES OF THE GROUP

Emporiki Bank Group comprises companies active in the broader financial sector as well as in other business sectors. Under the new strategy adopted, Group companies are

being restructured with the aim of improving intercompany communication, avoiding overlaps, introducing innovations, and efficiently managing operating costs.

Leasing

In the leasing sector, Emporiki Bank Group is active through its subsidiary Emporiki Leasing S.A., wholly-owned by Emporiki Bank. In 2004, Emporiki Leasing offered leasing products for mobile equipment and real estate leasing, either directly or through the Bank's customer service units.

Emporiki Leasing S.A. Financial Highlights (in EUR million, on 31.12.2004)

Total assets	411.6
Share capital	49.8
Shareholders' equity	66.6
Profit before tax	6.8
Direct & Indirect Bank participation (%)	100.0

The total value of new contracts amounted to EUR 131.7 million, of which EUR 71.3 million represented "sale and leaseback" contracts. Disbursements amounted to EUR 141.1 million, with the company's turnover in 2004 increasing by 15.3% and amounting to EUR 107.3 million. Profit before tax stood at EUR 6.8 million, up by 13.4% compared to 2003. The company's market share was estimated at approximately 6.2%.

The company's strategy for 2005 focuses on determining a framework for the closer co-operation with Emporiki Bank's network, and on providing more competitive prices in order to promote its products more effectively.

Insurance

In the sector of life and general insurance, Emporiki Bank Group is active through its subsidiary Phoenix Metrolife Emporiki Insurance Company S.A. In December 2004 a decision was taken to increase the company's share capital by contribution in kind and cash payment. The contribution in kind by Emporiki Bank, amounting to EUR 21.1 million, took place in late 2004. The cash payment, amounting to EUR 78.9 million, was made in the first quarter of 2005. At the end of 2004, the company's paid up share capital amounted to EUR 109.9 million, and the Bank's direct and indirect participation was 83.6%.

In terms of the total production of premiums, the company ranked third in the market in 2004, maintaining the position it had in 2003. During 2004, the products developed included an insurance plan for children and five car insurance discount packages offering varying levels of insurance coverage in order to better respond to customer needs.

Phoenix Metrolife Emporiki S.A. Financial Highlights (in EUR million, on 31.12.2004)

Total assets	678.7
Share capital (paid up)	109.9
Shareholders' equity	45.2
Profit before tax	-130.1
Direct & Indirect Bank participation (%)	83.6

Phoenix Metrolife Emporiki is developing its activities through an organised sales network that comprises branches and offices, agencies, brokers and insurance advisors. The company also utilises Emporiki Bank's branch network to market its products, and it also performs insurance operations directly without intermediaries.

The company is currently developing a business plan aimed at re-engineering its operations, at revising its pricing and commercial policies, and at analysing and controlling costs.

In the sector of short-term commercial credit insurance, Emporiki Bank Group is active through Euler Hermes Credit Insurance S.A. In 2004, the share capital of the company was increased by EUR 2.9 million. Following the share capital increase, the company's share capital amounted to EUR 5.7 million at the end of 2004, and the direct and indirect participation of Emporiki Bank was 44.2%. Euler Hermes Credit Insurance S.A. offers insurance and reinsurance against credit and guarantee risks in Greece and abroad. The company ranks second in the domestic market.

Bancassurance

In the bancassurance market, Emporiki Bank Group is active through its subsidiary Emporiki Life Insurance Company S.A, in which Emporiki Bank and Predica, the life insurance company of Crédit Agricole, each participate with a share of 50%. The collaboration with Predica extends to various areas, such as the transfer of know-how concerning marketing and the participation in the design and distribution of products.

Emporiki Life Insurance Company S.A.
Financial Highlights
(in EUR million, on 31.12.2004)

Total assets	22.7
Share capital	10.0
Shareholders' equity	5.8
Profit before tax	-0.6
Direct & Indirect Bank participation (%)	50.0

In 2004, the company's bancassurance products were marketed through the entire network of Emporiki Bank. Emporiki Life offered a total of eight insurance and savings products to private customers and small and medium-sized enterprises during 2004. The company's objectives for 2005 are to increase its market share, to expand its line of products, to attract high-income customers and to provide continuous support to the Bank's network for the more effective promotion of the company's products.

Real Estate Development and Management

Emporiki Bank Group is active in the sector of real estate development and management through its subsidiary Emporiki Real Estate S.A. The company was established in June 2001 as a specialised company to support Group activities in the real estate market. At the end of 2004, the direct and indirect participation of Emporiki Bank in the company's share capital was 94.3%.

Emporiki Real Estate S.A.
Financial Highlights
(in EUR million, on 31.12.2004)

Total assets	61.2
Share capital	58.7
Shareholders' equity	60.8
Profit before tax	0.3
Direct & Indirect Bank participation (%)	94.3

Emporiki Real Estate S.A. has undertaken the management of the real estate property of Emporiki Bank Group, including the sale/purchase of properties, renting/leasing of properties, property valuations, certification of technical works and management of insurance contracts providing coverage for the Group's property and transactions. In addition, the company is active in the real estate market by participating in investment projects for real estate development and by providing advisory services on real estate management.

Regarding property development, Emporiki Real Estate S.A. participates in development projects

which are in progress or have been completed. More specifically, the company participates in the MARINA ZEAS S.A. investment consortium, which has undertaken the revamping and management of harbour and land facilities in the Zea tourist marina. During 2004, the development of a real estate property owned by the Auxiliary Insurance Fund of Insurers and Employees of Insurance Organisations was also completed in co-operation with a private hotel company.

Emporiki Real Estate S.A. participates through a subsidiary company in a development project involving the construction of an office complex in Kolonos, for which it is reviewing its business plan. The company has also acquired through two subsidiaries the development of two plots of land in Thessaloniki, to be used for the construction of an office complex, and is currently considering the sale of this property or of all the shares of its subsidiaries in order to achieve significant capital gains.

In the area of real estate management, in the second half of 2004 Emporiki Real Estate S.A. started providing rental/leasing management services for the Bank's properties, and negotiated the rental of properties of third parties. In addition, it has carried out valuations of properties and installations, as well as the certification of technical works and has provided property management services, mainly to the Bank's customers residing abroad. The company also offers insurance contract management services as regards insurance contracts providing coverage for Emporiki Bank Group's real estate property.

In the area of advisory services, during 2004 the company provided a broad range of services not only to companies of Emporiki Bank Group but also to large organisations, mainly those in the public sector, which own large real estate property for development. In this context, the company carried out studies concerning the development of real estate properties of the Hellenic Radio & Television (ERT) S.A. and the Engineers and Public Contractors Pension Fund. Furthermore, in the area of certifications-valuations, the company provided services to Emporiki Bank Group as well as to third parties, as a technical and financial coordinator for the implementation of investment plans.

For 2005, Emporiki Real Estate S.A. objectives are to develop real estate management services for third

parties and to expand its collaboration with organisations, mainly in the public sector, which own large real estate property for development. As regards the investment of available funds, the company will seek to participate in selected investment/business schemes, to purchase rental properties with the objective of generating an immediate and steady flow of income, and to establish a reserve of land properties with the aim of benefiting from capital gains through development or sales.

Long-term Operational Leasing

Emporiki Bank is active in the long-term operational leasing of private vehicles through Emporiki Car Rent and Leasing Commercial S.A. (Emporiki Rent). At the end of 2004, Emporiki Bank held 51% of the company's share capital, while P.J. Condelis Industrial and Commercial S.A. and KARENTA S.A. each held 24.5%.

Emporiki Car Rent and Leasing Commercial S.A. (Emporiki Rent)

Financial Highlights (in EUR million, on 31.12.2004)

Total assets	54.6
Share capital	6.0
Shareholders' equity	6.2
Profit before tax	0.8
Direct & Indirect Bank participation (%)	51.0

In 2004, new leasing contracts rose to 1,044, up by 38.1% compared to 2003. At the end of 2004, the company's fleet numbered 2,449 vehicles, registering an increase of 45.7% compared to the end of 2003. On the basis of its fleet, the market share of the company is estimated to have increased from 2.5% in 2003 to 3.5% in 2004.

In addition to direct sales, which account for 44% of its total sales, Emporiki Rent also uses the following networks for marketing its products: Emporiki Bank's branch network (29% of total sales); the networks of its two other shareholders (9% of total sales); and other networks, such as those of car dealers, car insurance companies, etc. (18% of total sales).

During 2004, the company held informative presentations for the promotion of its products in most of the Greek cities, and developed synergies with the other subsidiaries of the Group regarding vehicle leasing.

Emporiki Rent's strategy for 2005 focuses on further expanding the marketing networks for its products and on achieving higher sales growth in the various regions of the country. Furthermore, in co-operation with Emporiki Leasing, the company aims to launch, on a pilot basis, the leasing of light professional trucks.

Factoring

In the context of the restructuring of the Group's activities, the subsidiary Emporiki Factoring S.A. was absorbed by Emporiki Bank. The absorption of the company took place smoothly and existing customer relationships were maintained. The integration of factoring activities into the Bank's operations provides the opportunity to increase the exploitation of its network. It is also estimated that centralised support and management of these activities will further contribute to their growth and to the better control of credit risk.

E. INTERNATIONAL ACTIVITIES

Emporiki Bank Group is active abroad through subsidiary banks in Romania (5 branches and 1 agency), Bulgaria (6 branches), Albania (1 branch), Cyprus (12 branches), Germany (6 branches), Georgia (1 branch) and Armenia (1 branch). The Bank also operates one branch in London.

These subsidiary banks are mainly active in retail banking and enterprise financing. Their objective is to create competitive products, which are offered to selected clients. As concerns enterprise financing, the subsidiary banks focus on attracting healthy foreign and domestic enterprises, as well as enterprises representing Greek interests, which are active in sectors where competitive advantages exist. At the same time, they are restructuring their portfolios in order to improve their efficiency and the spreading of risk.

In 2004, the subsidiary bank in Cyprus proceeded with a share capital increase of CYP 7 million. The strategy regarding the Group's presence abroad is being redefined, with the purpose of placing greater emphasis on Balkan countries which are characterised by favourable growth prospects. Under the new strategy adopted, Emporiki Bank Group plans to withdraw from Armenia and Georgia, and will expand its branch network in Romania, Bulgaria and Albania.

7. TECHNOLOGICAL AND OPERATIONAL MODERNISATION

The development and the restructuring of the information systems and related infrastructures of banking institutions, in the context of adapting to institutional requirements and marketing policy needs, continue to play an important role in banking operations. Emporiki Bank has adopted a multiple-channel approach in retail banking and in seeking to align its information systems with its overall customer-oriented conception, it is developing new systems and upgrading the existing ones. Around these core systems which support its market presence, the Bank is implementing the adjustments needed in order to ensure that its operations are being harmonised with International Accounting Standards requirements and the framework of the Basle regulations in the next few years.

The Bank is implementing changes and adjustments to its information systems and infrastructures, placing priority on curtailing the cost of the investments carried out and limiting risk. In 2004 Information Technology operations began functioning at the Group level as well as all support operations. This policy aims at ensuring a more efficient management of the cost of Information Technology infrastructures and of the available resources as well as avoiding overlapping, while at the same time, addressing the operating needs of the Bank and of the Group companies in the same manner, as much as possible.

The main axis for the development of Information Technology operations in 2004 was the reinforcement of the support provided to retail banking and to the Bank's branch network, with the aim of improving the capabilities of the Bank's business units so that the customers may be better served. In this context, sales systems and systems for analysing and monitoring administrative and management information were developed. In addition, the distribution channels for products and services were also functionally improved, and customers were offered additional facilities, thus enabling them to carry out their banking transactions more quickly and with improved quality.

The Bank's market presence was strengthened with the improvement of the existing information systems and the development of new information systems supporting a multitude of operations (credit operation, dealing with incidents of fraud etc.). Regarding the Bank's internal operations, new tools

were used to automate tasks which support administrative and managerial functions, leading to a greater functionality and ease in performing tasks and to a more efficient management of costs.

The Information Technology infrastructure required for the operation of the Disaster Recovery Centre was completed in 2004. The Disaster Recovery Center enables the Bank to handle emergencies and unexpected serious breakdowns or disasters at any moment, thus ensuring the recovery of its critical operations. This project will continue in 2005 along three main axes: the automation of operations, the minimisation of recovery time and the coverage of almost all of the Bank's fields of activity. At the same time, the Bank made investments to upgrade the central information system in order to effectively support daily production, to reinforce security measures and to prevent possible risks.

The Bank is proceeding with the design and establishment of a Central Data Warehouse, which will function as a system for data management and processing with expansion capabilities and will effectively support customer relationship management. Moreover, the new standards for branch operation established through the "Pegasus" program will be further enhanced with the objective of continuously improving customer service. The reorganisation of operational activities and procedures performed in the branches and the centralisation of time-consuming back-office operations have the objectives of transforming the Bank's branches to customer service centers providing integrated and efficient services. Moreover, as part of the effort to rationalise internal operations, the Bank will install new budgeting systems as well as Management Information Systems (MIS).

As of early 2005, the infrastructure of the in-house information services -Intranet Portal- was completed and the system started its operation. At the same time, work is still in progress concerning the upgrading of a large number of the Bank's ATMs to meet the security specifications of international organisations with respect to the modern "smart card" and transaction performance standards. Finally, in order to ensure the secure operation of production systems, the existing infrastructures will be further upgraded in 2005 aiming at covering risks that may be caused by potential errors or omissions occurring in the Bank's own internal environment.

8. CUSTOMER SERVICE NETWORKS

In line with its customer orientation and its focus on retail banking, Emporiki Bank is expanding and reorganising its branch network in a rational manner, while at the same time developing direct banking that uses modern, state-of-the-art technologies.

The Bank has proceeded with the introduction of modern sales promotion techniques and methodologies through its branch network with the objective of reinforcing its market position. At the same time, it is continuing with the technological modernisation of the branch network through the "Pegasus" program and with the reorganisation of the branches into three categories (full service branches/KPE, retail customer branches/KEI, SMEs and retail customer branches/KMME+I) according to the products and services offered to customers.

Additions to the network in 2004 consisted of three branches, 35 ATMs and one KIOSK. Thus, at the end of 2004 Emporiki Bank's network comprised 376 branches, 12 exchange bureaux, 709 ATMs, 9 AEMs and 96 KIOSKS. Six KIOSKS have the potential of operating as exchange bureaux since in addition to the ATMs they have been outfitted with employee work posts.

As far as direct banking is concerned, in 2004 the target of 30,000 active subscribers to the Emporiki Internet Banking service was exceeded (an increase of 109% for retail customers and 51% for businesses) and the number of money transfers using the service was doubled compared to 2003. At the same time, the service was also made available in English, and the ATM network was fully upgraded to support this.

In 2004 a new direct banking capability was created offering 24/7 access (24 hours a day 7 days a week) to banking services via mobile phone. The Emporiki Mobile Banking service is fully compatible with the Emporiki Internet Banking service and aims at attracting high-income customers.

The Bank's goals for 2005 concerning direct banking include the development of an automated telephone service (based on Interactive Voice Response – IVR) and its integration within a customer-centric framework, the introduction of a facility for on-line stock market transactions, and the operation of an electronic payments system addressed to individuals and businesses and also permitting the settlement of e-commerce transactions. In order to better serve its customers and to rationalise its pricing policy, the Emporiki Internet Banking service will be divided into three specific types: standard, premium and business.

9. RISK MANAGEMENT

The regulatory and supervisory framework imposed by the Basle Committee, the European Union and the Bank of Greece creates the need to enhance the systems used to monitor and manage risk. Within this context, Emporiki Bank upgraded these systems in 2004, while at the same time it is participating in the procedures for conforming to the Basle II regulations, in collaboration with the Hellenic Bank Association and the Bank of Greece.

Emporiki Bank Group has managed to significantly reduce its exposure to risks deriving from interest rate fluctuations, prices and currency exchange parities. Concerning risk management, by integrating all the factors which affect risk assessment into the risk rating system and by adopting a new credit policy and approval procedure, the Group expects to achieve considerable improvement in the area of risk management.

Market Risk

During 2004, the Bank further developed the use of in-house risk monitoring and management systems. The Maximum Potential Loss (Value at Risk – VaR) for the entire trading portfolio is estimated on a daily basis using historical simulation, complemented by the Monte Carlo methodology. The analysis is performed at the level of each individual market risk component (interest rate, foreign currency, share prices) and is confirmed using back-testing and sensitivity analysis under extreme market conditions (stress testing).

In 2004, the investment strategy consisted of investing in high grade international corporate bonds. At the end of 2004, the average credit rating of the portfolio, as evaluated by Standard & Poor's, was A-

For 2005, the Bank's immediate priority is to fully integrate the companies of the Group into the systems used to monitor and manage market risk. In addition, the Bank also intends to report to the supervisory authorities its capital requirements using in-house risk assessment models instead of the standardised methodology used so far.

Credit Risk

Based on the credit rating systems that it has developed and on its experience, the Bank is in a position to estimate credit risk for each category of its loan portfolio and to calculate the resulting potential losses. The Bank also estimates the credit risk for its entire loan portfolio, based on its loan concentration profile.

The quality of the Bank's portfolio is assessed using an

internal system for allocating provisions, which weighs the available information on the existing portfolios (changes in classifications, arrears etc.) and estimates the average expected loss for the following year. The Bank then ensures that its provisions more than cover this contingent loss as derived using the risk rating system.

For the evaluation of its loan portfolio to businesses, the Bank uses a 10-scale credit rating system, which at the beginning of the year was incorporated into the new credit policy system which comprises credit policies, procedures and monitoring the counterparty's performance. With this system, the Bank has linked, for each loan portfolio category, customer ratings with the corresponding probability of defaulting on their obligations within one year.

Regarding the retail banking loan portfolio, the Bank is in a position to evaluate the credit scoring systems used in order to assess the credit rating of customers, and has also developed risk assessment methods based on the transaction performance of its customers.

In 2005, the Bank is ready to start adjusting to the requirements of the new Basle II framework, concerning the design and development of new procedures and systems for credit risk management.

Operational Risk

By participating in the working groups established by the Hellenic Bank Association for the formulation of a capital adequacy framework, Emporiki Bank has adopted the standardised approach for estimating capital requirements against operational risk.

The Bank keeps a historical record of loss-generating operational risk events structured on the basis of the Basle II principles (by category of risk and by business activity), while at the same time it is insuring against certain categories of operational risk with a view to controlling it more effectively. The Bank has established a specialised Compliance Office that reports directly to the Chairman of the Group in order to more effectively address issues which concern regulatory compliance and to combat fraud and money laundering.

Finally in 2005, the procedures associated with the Business Continuity Plan will be initiated. This Plan will be regularly updated by the responsible working groups.

Asset-Liability Management (ALM)

The year 2004 was the first year in which the Asset-

Liability Management system was put into full operation. The operation of the system allows the Bank to measure financial risks (interest rate and liquidity risk) resulting from the Bank's balance sheet structure and the duration of its items (discrepancies in due dates, re-pricing of products). In addition, hypothetical scenarios involving extreme changes in interest rates are being developed, with the objective of assessing their impact on Net Interest Income and on the Economic Value of Equity.

Within 2005, the revised Funds Transfer Pricing System will be put into operation, allowing the more accurate allocation of Capital and Profitability across products and operational units. Immediate priorities for 2005 also include the integration of the Group subsidiaries into the system so that Asset-Liability Management can be uniformly performed at the Group level, and the calculation of the profitability of the Bank's risk-weighted portfolio (Risk-Adjusted Return on Capital/RAROC), with the aim of optimising the allocation of funds.

Capital Adequacy

The capital adequacy ratios for both the Bank and the Group improved in 2004. This improvement was mainly due to the increase in supplementary funds (Tier II) through the issuance of a subordinated bond loan with a nominal value of EUR 350 million. Market risk weighted assets decreased by 13% for the Bank and by an estimated 29.7% for the Group. Credit risk weighted assets increased by 3.9% for the Bank and by an estimated 7.4% for the Group.

EMPORIKI BANK	(amounts in EUR million)		
	31/12/2002	31/12/2003	31/12/2004
Regulatory Capital	1,215.5	1,220.1	1,630.5
Credit Risk Weighted Assets	10,319.1	12,169.8	12,648.8
Market Risk Weighted Assets	920.2	777.8	676.8
Total Risk Weighted Assets	11,239.2	12,947.6	13,325.6
Capital Adequacy Ratio (Tier I)	10.81%	9.42%	9.62%
Aggregate Capital Adequacy Ratio	-	-	12.24%

EMPORIKI BANK GROUP	(amounts in EUR million)		
	31/12/2002	31/12/2003	31/12/2004*
Regulatory Capital	1,167.8	1,159.1	1,565.5
Credit Risk Weighted Assets	9,992.9	11,839.4	12,720.5
Market Risk Weighted Assets	1,159.0	968.0	680.6
Total Risk Weighted Assets	11,151.9	12,807.4	13,401.1
Capital Adequacy Ratio (Tier I)	10.47%	9.05%	9.07%
Aggregate Capital Adequacy Ratio	-	-	11.68%

* estimate

10. CORPORATE SOCIAL RESPONSIBILITY

In 2004, the Bank strengthened its corporate governance, followed-up customer complaints, financed socially excluded population groups, continued its activities regarding training and welfare of its human resources, participated in social responsibility actions, designed an environmental management system and was evaluated positively for its social responsibility by independent international research organisations.

1. Strengthening Corporate Governance

In 2004, Corporate Governance was strengthened through the following activities:

- Establishment of a Compliance Office with the purpose of monitoring and investigating suspicious transactions, of supervising the application of regulatory standards and of carrying out emergency ad hoc audits.
- Development of draft Rules of Procedure for the Bank's Operation, to be submitted for approval to the Board of Directors.
- Regular meetings of the Audit Committee (10 times in 2004).
- Regular and ad hoc audits carried out by the Audit Division, with a total of 116,550 audit hours.

2. Following-up customer complaints

In 2004, the Bank continued to systematically investigate and to resolve customer complaints arising from transactions conducted with the Bank. The procedure for submitting and handling complaints was also redesigned and improved. A total of 687 complaints were submitted (compared to 763 in 2003). Of these, 568 were submitted by private individuals and concerned mainly commission fees, various charges and credit/debit calculations. The other 119 complaints were submitted by corporations and concerned primarily the quality of service, commission fees and other charges.

3. Financing very small enterprises and special population groups

In 2004, the Bank granted short and long-term loans to small and very small enterprises, through the Credit Guarantee Fund of Small and Very Small Enterprises. It also continued its policy of financing housing loans for special population groups. The specific financing categories and the corresponding number of loans issued are presented in the table below.

FUNDING CATEGORY	Number of loans	
	2003	2004
HOUSING LOANS TO GYPSIES (ROMA) ¹	8	294
HOUSING LOANS TO REPATRIATES ²	267	842
LOANS GUARANTEED BY THE CREDIT GUARANTEE FUND OF SMALL AND VERY SMALL ENTERPRISES (TEMPME) ³	-	30

¹Implementation of the program started on 30.6.2003.

²Implementation of this program started on 30.7.2002.

³The program came into force on 15.7.2004.

4. Human Resources

Renewal and allocation

In 2004, a total of 305 new recruitments took place while a total of 529 employees left the Bank, of which 343 were voluntary retirement under incentives and 186¹ fell into other categories. On 31.12.2004, the Bank's human resources totalled 6,620² persons, that is 3.3% less than in 2003. Men represented 48.2% of total employees, and women 51.8%. Out of the Bank's total staff, 3.1% were people with a disability.

Around 40% of employees are higher education and university graduates, 7% hold Master's or Doctorate degrees and 45% are secondary education graduates. A total of 66% are employed in the branch network and 34% are employed in support units and executive divisions. Executives and administrative staff account for 44% and 56% of employees respectively. Regarding positions of responsibility, 54.8% of these are held by men and 45.2% by women. Around 60% of employees have 11-25 years of service with the Bank, and 28.2% have up to 10 years of service. The average age of human resources is 42.1 years.

Training

In 2004, a total of 4,579 staff members took part in training programs with a total cost of EUR 3.2 million. Most of the training (81.8% of participations) was conducted in-house, with training activities being almost entirely part of the "Pegasus" program. Overall, 42.7% of employees took part in training activities.

Welfare Programs

In 2004, the following human resources welfare programs were implemented:

- Health and Safety in the Workplace (total cost: EUR 168.5 thousand).
- Operation of medical services in work areas³ (cost: EUR

¹Refers to pensioning due to fulfillment of conditions for retirement, notifications of death, termination of contracts, and non-renewal of fixed-term employment contracts.

²The seven work contracts of local personnel in the London Branch are not included in this figure.

³The cost includes doctors' and administration staff fees as well as surgery costs.

302.2 million).

- Supplementary medical care and hospital expenses abroad (cost: EUR 1.3 million).
- Loans for housing, education and extra-ordinary needs, as well as for the purchase of Personal Computers (cost: EUR 37.5 million).
- Accommodation of 445 children in nurseries and of 1,087 children in summer camps (cost: EUR 2.5 million).
- Monetary prizes and scholarships to children of employees and pensioners excelling in their studies (cost: EUR 195 thousand).
- Group insurance policies for personnel and pensioners (cost: EUR 2.5 million).
- Financial assistance to the Employees Association and to the Scientific Personnel and Pensioners Associations (cost: EUR 681 thousand).

5. Participation in CSR activities

Social contribution

In 2004, the Bank returned to the general public a total of EUR 3.2 million through social responsibility actions which comprised the following:

- Financial assistance was provided to social, cultural, sport, scientific and educational bodies to conduct social activities.
- The Bank's Choir continued its cultural contribution, celebrating its 40th anniversary in 2004.
- The two-volume book "Travellers' notes from the Ionian islands, Greece, Minor Asia and Turkey in 1835" by V. Davidoff, and the book "Athens between the Wars through the photographs of Petros Poulidis", by historian K. Arseni, were published.
- Financial assistance was provided to the Emporiki Bank Historical Archive, a non-profit organisation, regarding its cultural, research and educational work.
- A total of 55 donations in kind were made (books, computers and office equipment).
- The tradition of voluntary blood donation organised by the Bank was continued, with 940 blood units offered.

Youth support

In 2004, a total of 240 students of University Departments of Economics were employed for practical training (cost: EUR 185.2 thousand). Another 27 students were also employed in the framework of the Ministry of Education's Operational Program for Education and Initial Vocational Training (EPEAEK). Finally, in the framework of the International Student Exchange Programs of the International Association of Students of Economic and Commerce Studies (AIESEC), the Bank employed five foreign students (cost: EUR 7.3 thousand approximately).

6. Activities to protect the natural environment

In 2004, Emporiki Bank developed an Environmental Management System and implemented Environmental Policy measures.

Pollution impacts to the natural environment resulting from CO₂ emissions, energy use (electricity and petrol) and business travel (except for rail and sea travel), stood at 25,626.82 tCO₂ in 2004. Some 95% of CO₂ emissions is caused by the use of electricity. The Bank's ecology efficiency index (tCO₂/number of employees) is estimated at 3.87.

During 2004, to reduce the Bank's CO₂ emissions

- 59 tonnes of used paper were recycled,
- 377 pieces of obsolete electronic and telecommunications equipment were recycled,
- the process of notification of circulars to staff was integrated into the corporate Intranet system, with the aim of reducing significantly the consumption of photocopy paper.

7. Corporate Social Responsibility Evaluation by independent international research organisations

In 2004, the three independent research organisations listed below carried out an assessment of the Bank's Corporate Social Responsibility. The advantage, among others, that such an assessment offers to the Bank is that its share may be considered for placement by institutional investors who are bound to act as Socially Responsible Investors.

Ethical Investment Research Service (EIRIS, www.eiris.org), for FTSE4Good (www.ftse4good.com). Emporiki Bank is a member of the FTSE4Good Europe Index and of the FTSE4Good Global Index.

Stock at Stake (www.stockatstake.com), for the Ethibel Sustainability Index (www.ethibel.org). The Ethibel index is calculated and updated by Standard & Poor's. Emporiki Bank is the only Greek company to be listed in Ethibel's Investment Register and in the Ethibel Sustainability Index.

Sustainability Asset Management Research (www.sam-group.com), for the Dow Jones Sustainability Index (www.sustainability-indexes.com). The Bank's total sustainability score is 49%, as against 42% for the Banking industry on a global basis.

11. ANALYSIS OF THE BANK'S FINANCIAL STATEMENTS

The financial statements for 2004 are not comparable to those of the previous financial period, since: (a) by decision of the Board of Directors of Emporiki Bank, taken at its meeting of 14.5.2004 and approved by the Ministry of Development on 10.12.2004, the Bank's subsidiaries EMPORIKI INVESTMENT BANK S.A., EMPORIKI INVESTMENT FUND S.A., EMPORIKI FACTORING S.A. and EMPORIKI VENTURE CAPITAL S.A. were merged by absorption with the Bank; and (b) by decision of the Board of Directors of Emporiki Bank, taken at its meeting of 14.12.2004 and approved by the Ministry of Development on 24.3.2005, the Bank's subsidiaries CADMUS INVESTMENTS AND CONSULTING SERVICES S.A., CADMUS INVESTMENT INITIATIVES S.A. and CADMUS BUSINESS ENTERPRISES S.A. were merged by absorption with the Bank.

BALANCE SHEET¹

Assets

At the end of 2004, the Bank's total assets stood at EUR 17,914.7 million, up by 7.6% compared to the end of 2003. More specifically, at the end of 2004 net loans and advances to customers were up by 11% and accounted for 72.5% of the Bank's assets, compared to 70.3% at the end of 2003. Bonds² were reduced by 2.9% and represented

10.5% of assets, compared to 11.6% at the end of 2003, while the shares and participations held by the Bank were reduced by 50.1% and accounted for 2.9% of assets, as against 6.3% at the end of 2003. The reduction in the volume of the Bank's portfolio of shares has helped reduce the exposure of the Bank and of the Group to risks resulting from fluctuations in share prices (Table 1).

Table 1: Breakdown of Emporiki Bank's Assets

	2003	2004
Net loans and advances to customers	70.3%	72.5%
Bonds*	11.6%	10.5%
Shares and Participations	6.3%	2.9%
Other	11.8%	14.1%
Total	100.0%	100.0%

*Refers to the sum of "Bonds and Other Fixed-Yield Securities" and "Treasury Bills and Other Securities Eligible for Refinancing with the Central Bank".

At the end of 2004, total loans (before subtracting provisions) stood at EUR 13,240.7 million, registering an increase of 11.5% compared to the end of 2003 (Table 2). In the sector of business credit, the loan portfolio was restructured with three key priorities in mind: the expansion of the Bank's portfolio of large private sector corporations, the reduction in the outstanding balance of loans to the public sector, and the organisation of bond loans. In terms of the breakdown by sector of activity, significant increases were registered in loans to agriculture (74%), tourism (32.2%) and trade (10.4%).

Table 2: Outstanding Balances of Loans Granted by Emporiki Bank (EUR million at year-end)³

	2000	2001	2002	2003	2004
Enterprises and households	6,150.8	7,959.8	9,462.1	11,380.3	12,865.5
Public sector organisations	553.1	524.6	474.3	495.7	375.1
Total loans	6,703.9	8,484.5	9,936.4	11,876.0	13,240.7
Enterprises and households					
Enterprises					
Sector of economic activity*	2000	2001	2002	2003	2004
Agriculture	29.8	33.9	41.6	51.2	89.1
Industry, manufacturing and mining	1,320.0	1,709.1	1,859.8	2,219.4	2,225.0
Trade	1,955.3	2,233.4	2,151.9	2,078.8	2,294.9
Tourism	167.4	224.3	332.1	431.7	570.6
Shipping	422.4	468.0	470.9	581.5	555.7
Other	774.7	1,257.6	1,835.4	2,330.1	2,227.3
Total	4,669.6	5,926.3	6,691.7	7,692.7	7,962.6
Households					
	2000	2001	2002	2003	2004
Housing	1,015.1	1,466.5	2,015.8	2,618.7	3,392.1
Consumer Credit	466.0	567.2	754.7	1,069.0	1,510.9
Total	1,481.1	2,033.7	2,770.5	3,687.7	4,903.0

*Due to changes in the classification by economic activity introduced by the Bank of Greece in 2002, changes have been made, where feasible, for previous years for comparison purposes.

¹The amounts given are in million euro. Percentage changes and ratios are calculated using the amounts as expressed in euro in the Balance Sheet of Emporiki Bank, and are rounded off to one or two decimal digits.

²Refers to the sum of "Bonds and Other Fixed-Yield Securities" and "Treasury Bills and Other Securities Eligible for Refinancing with the Central Bank".

³In all tables, totals may not equal the sum of individual entries due to rounding off.

Loans to SMEs increased by 9.2% and stood at EUR 4,469 million at the end of 2004.

The contribution of loans to households to the increase in total lending by the Bank was significant. Loans to households increased by 33% in 2004.

A total of 17,500 new housing loans were granted in 2004. As a result, at the end of 2004 the outstanding balance of housing loans stood at EUR 3,392.1 million, up by 29.5% compared to the end of 2003. At the end of 2004, housing loans accounted for 25.6% of all loans granted by the Bank, as against 22.1% at the end of 2003.

Consumer credit also significantly contributed to the increased lending by the Bank. In 2004, a total of 66,400 new consumer and personal loans were granted, and some 54,000 new credit cards were issued. At the end of 2004, the outstanding balance of consumer credit stood at EUR 1,510.9 million (up by 41.3% compared to the end of 2003) and accounted for 11.4% of all loans granted by the Bank, as against 9.0% at the end of 2003.

The share of loans to households and SMEs in total loans granted by the Bank increased to 70.8% in 2004, from 65.5% in 2003.

Liabilities

At the end of 2004, deposits increased by 11.1% compared to the end of 2003, and amounted to EUR 13,466.4 million. This increase was mainly due to the rise in time deposits, which at the end of 2004 stood at EUR 4,577.8 million (up by 20.8% compared to 2003) and accounted for 34% of total deposits. Savings deposits increased by 7.3% and accounted for 53.7% of total deposits. The Bank's repos stood at EUR 1,118.8 million at the end of 2004, registering a decrease of 29.5% compared to the end of 2003 (Table 3).

Table 3: Breakdown of Emporiki Bank's Deposits and Repos

	2003	2004
Sight	11.6%	11.4%
Savings	49.1%	49.5%
Time	27.7%	31.4%
Repos	11.6%	7.7%
Total	100.0%	100.0%

⁴The amounts given are in million euro. Percentage changes and ratios are calculated using the amounts as expressed in euro in the Balance Sheet of Emporiki Bank, and are rounded off to one or two decimal digits.

At the end of 2004, the Bank's own funds stood at EUR 1,328.9 million, and its basic capital adequacy ratio (Tier I) was 9.62%. An amount of approximately EUR 89 million has been deducted from the Bank's own funds due to the purchase of own shares.

The evolution of the Bank's own funds over time clearly shows that today they would by far exceed the amount of EUR 2.0 billion, had the Bank not suffered a EUR 750.0 million loss in the 2002 financial period (Table 4) brought about by unsuccessful placements (losses from investments in shares, mutual funds, participations and bonds, as well as from derivative products). Beyond negatively affecting the results of 2004, this factor had further negative effects for the definite elimination of which it was necessary to allocate a large part of the surplus value which resulted from the revaluation of the Bank's real estate in 2004.

Table 4: Evolution of Emporiki Bank's Own Funds

(EUR million)	2001	2002	2003	2004
Total own funds	2,014.0	1,255.2	1,268.6	1,328.9
Change in own funds	166.5	-758.8	13.4	60.3

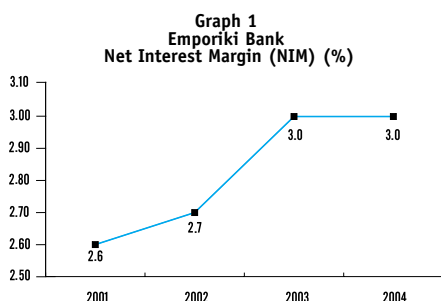
In 2004, the Bank issued a subordinated bond loan with a nominal value of EUR 350 million, and the aggregate capital adequacy ratio stood at 12.24%.

RESULTS⁴

The results for 2004 vividly reflect the efforts made during the year towards the complete restructuring of the Balance Sheet, which resulted in the Bank registering losses of EUR 43.4 million in 2004 compared to profits of EUR 105.7 million in 2003. The severe loss of corporate value which took place in previous financial periods, without the necessary adjustments to the corresponding funds in the Balance Sheet, and the elimination of pending issues from previous financial periods, weighed heavily on the Bank's results for the 2004 financial period. The decision not to distribute a dividend for the 2004 financial period was due to the moves made towards restructuring, and to the effort to maintain the level of the Bank's own funds as high as possible in view of the application of the International Accounting Standards.

The Bank's gross operating income stood at EUR 692.7 million at the end of 2004, compared to EUR 673.6 million at the end of 2003, registering an increase of 2.8%.

At the end of 2004, net interest income stood at EUR 522.4 million, up by 4.6% compared to the end of 2003. Net interest income was boosted by the increase in loan balances (by 11.5%), and by the higher share of consumer and housing loans in total loans. On the other hand, net interest income was negatively affected by the significant decrease in the interest from bonds and by the change in the method used to offset bond portfolio risks.



The Bank's net interest margin stood at 3% in 2004, remaining unchanged in comparison to 2003 (Graph 1). Net fee and commission income stood at EUR 138.9 million in 2004 compared to EUR 135.4 million in 2003, registering an increase of 2.6%.

Table 5: Breakdown of Emporiki Bank's Fee and Commission Income (%)

Categories of Commission	2003	2004
Loan commissions and accounts maintenance	24.0	21.8
Credit cards	18.6	18.8
Letters of guarantee and imports/exports	14.0	13.7
Mutual funds	7.1	6.5
Money transfers	5.9	5.8
Securities	2.5	3.3
Other commissions	27.9	30.1
Total	100.0	100.0

Other operating income decreased by 16.3% and stood at EUR 12.0 million in 2004, as against EUR 14.4 million in 2003.

Table 6: Emporiki Bank's Gross Operating Income

(EUR million)	2003	2004	Change(%)
Net interest income	499.6	522.4	4.6
Net fee and commission income	135.4	138.9	2.6
Income from securities	6.3	4.4	-29.6
Income from financial transactions	17.9	14.9	-17.1

Other operating income	14.4	12.0	-16.3
Gross operating income	673.6	692.7	2.8

The Bank's general administrative expenses (staff costs and other administrative expenses) amounted to EUR 520.8 million in 2004, registering an increase of 12.6% compared to 2003. The ratio of general administrative expenses to core operating income (gross operating income less income from financial transactions) rose to 76.8% in 2004 (from 70.6% in 2003), while the ratio of general administrative expenses to average assets stood at 3.0% (compared to 2.8% in 2003).

In 2004, staff costs amounted to EUR 401.1 million, registering an increase of 16.3% compared to 2003. Other administrative expenses stood at EUR 119.8 million, up by 1.5% compared to 2003, reflecting the impact of a series of actions launched with the objective of curtailing operating costs.

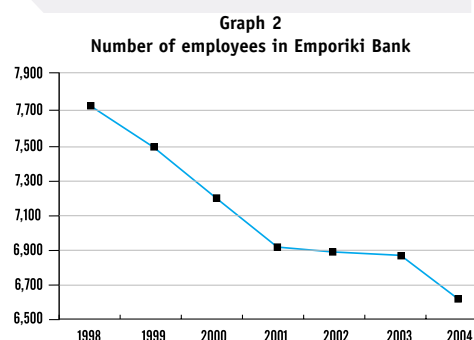
Table 7: Emporiki Bank's General Administrative Expenses

(EUR million)	2003	2004
Staff costs	344.7	401.1
Other administrative expenses	118.0	119.7
Total general administrative expenses	462.7	520.8

Depreciation of fixed assets for 2004 amounted to EUR 37 million, registering an increase of 18.8% compared to 2003. The ratio of expenses⁵ to core operating income⁶ stood at 82.7% in 2004 as against 75.8% in 2003, while the cost-to-income ratio⁷ stood at 80.9% in 2004 as against 73.7% in 2003.

Provisions for contingent liabilities stood at EUR 148.2 million in 2004, compared to EUR 79.0 million in 2003.

At the end of 2004, the number of employees in the Bank fell to 6,627 persons from 6,865 at the end of 2003 (Graph 2).



⁵Expenses here include General Administrative Expenses, Depreciation and Other Operating Expenses.

⁶Core Operating Income is defined as Gross Operating Income less Income from Financial Transactions.

⁷The cost-to-income ratio is defined as the sum of General Administrative Expenses, Depreciation and Other Operating Expenses over Gross Operating Income.

12. ANALYSIS OF THE GROUP'S FINANCIAL STATEMENTS

BALANCE SHEET¹

Assets

At the end of 2004, the Group's total assets stood at EUR 18,235.7 million, up by 8% compared to the end of 2003. Emporiki Bank accounts for 98.2% of the Group's total assets.

On December 31, 2004, the Bank's loans accounted for 97.5% of the Group's total loans. Regarding the quality of the loan portfolio, it should be noted that non-performing loans² represented 5.1% of the Group's total loans. Provisions for doubtful debts covered 70% of non-performing loans on December 31, 2004.

At the end of 2004, net loans and advances to customers amounted to EUR 13,327.5 million, registering an increase of 10.8% compared to the end of 2003, and their share in total assets stood at 73.1% as against 71.2% at the end of 2003 (Table 1).

Bonds³ held by the Group amounted to EUR 1,917.7 million, of which 97.9% represented bonds held by the Bank.

Table 1: Breakdown of Emporiki Bank Group Assets

	2003	2004
Net loans and advances to customers	71.2%	73.1%
Bonds ³	12.8%	10.5%
Shares-Participations	3.5%	1.1%
Other	12.5%	15.3%
Total	100.0%	100.0%

Liabilities

At the end of 2004, liabilities to customers amounted to EUR 14,961 million, as against 14,042.7 million in 2003, registering an increase of 6.5%.

The Group's own funds stood at EUR 1,273.2 million as against EUR 1,199.7 million in 2003. The restructuring efforts undertaken in order to address pending issues from previous financial periods led to a total negative impact of EUR 78.4 million, of which: (a) an amount of EUR 40 million directly reduced the Group's own funds and refers to Phoenix Metrolife Emporiki, and (b) an

amount of EUR 38.4 million directly reduced the surplus value which resulted from the revaluation of the Group's real estate, and refers to a decrease in participations in non-affiliated companies. This negative impact was counterbalanced by an increase of EUR 177.2 million in the Group's own funds, due to the surplus value which resulted from the revaluation of the Group's real estate at its market value.

The basic capital adequacy ratio (Tier I) is estimated at 9.07%. An amount of approximately EUR 89 million has been deducted from own funds due to the purchase of own shares. In 2004, the Bank issued a subordinated bond loan with a nominal value of EUR 350 million, and the aggregate capital adequacy ratio for the Group is estimated at 11.68%.

RESULTS¹

The financial results for 2004 are not comparable to those of the previous financial period, since (a) by decision of the Board of Directors of Emporiki Bank, taken at its meeting of 14.5.2004 and approved by the Ministry of Development on 10.12.2004, the Bank's subsidiaries EMPORIKI INVESTMENT BANK S.A., EMPORIKI INVESTMENT FUND S.A., EMPORIKI FACTORING S.A. and EMPORIKI VENTURE CAPITAL S.A. were merged by absorption with the Bank; and (b) by decision of the Board of Directors of Emporiki Bank, taken at its meeting of 14.12.2004 and approved by the Ministry of Development on 24.3.2005, the Bank's subsidiaries CADMUS INVESTMENTS AND CONSULTING SERVICES S.A., CADMUS INVESTMENT INITIATIVES S.A. and CADMUS BUSINESS ENTERPRISES S.A. were merged by absorption with the Bank.

In 2004, Emporiki Bank Group registered losses (before taxes) of EUR 48.8 million compared to profits of EUR 112.8 million in 2003. This development was due to the adjustments made, some of which were chosen to be charged to the Profit and Loss Account instead of being directly deducted from own funds, an approach which will permit the exploitation of the corresponding tax benefits in future financial periods. These adjustments, which amounted to EUR 101.1 million, referred to the following:

- Provisions of EUR 30.8 million regarding the valuation of participations in non-fully consolidated enterprises under liquidation.
- Settlement of items of previous financial periods not

¹The amounts given are in million euro. Percentage changes and ratios are calculated using the amounts as expressed in euro in the Consolidated Balance Sheet of the companies of Emporiki Bank Group, and are rounded off to one or two decimal digits.

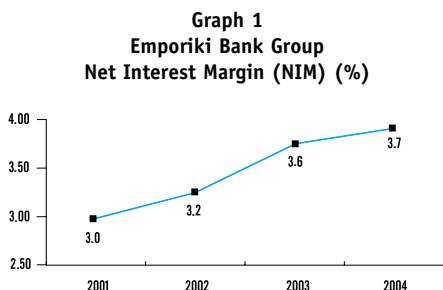
²Non-performing loans are defined as loans which are more than six months in arrears.

³Refers to the sum of "Bonds and Other Fixed-Yield Securities" and "Treasury Bills and Other Securities Eligible for Refinancing with the Central Bank".

subject to collection under suspense accounts, by forming provisions regarding write-offs of EUR 12 million and a charge of EUR 7 million on extraordinary results.

- Additional special provisions of EUR 20 million regarding arrangements under L. 3259/2004 "on the settlement of overdue debts".
- Compensation of EUR 31.3 million paid to approximately 400 persons who joined the Bank's voluntary retirement schemes.

In 2004, net interest income increased by 6.2% and stood at EUR 649.5 million, compared to EUR 611.8 million in 2003. The Group's net interest margin (net interest income to average total assets) increased from 3.62% in 2003 to 3.70% in 2004 (Graph 1).



In 2004 the Group's net fee and commission income amounted to EUR 148.6 million, down by 6.5% compared to the end of 2003. Income from financial transactions fell from EUR 30.4 million in 2003 to EUR 16.5 million in 2004. The reduction in the Group's portfolio of shares by EUR 274 million (-71.5%) has helped reduce significantly the exposure of the Group to risks resulting from potential fluctuations in share prices. Other operating income stood at EUR 13.9 million, registering a decrease of 15.3% compared to 2003.

Table 2: Gross Operating Income of Emporiki Bank Group

(EUR million)	2003	2004	Change (%)
Net interest income	611.8	649.5	+6.2
Income from securities & participations	15.1	5.4	-64.0
Results of non-consolidated Group companies	-2.2	0.5	...
Net fee and commission income	159.0	148.6	-6.5
Other operating income	16.4	13.9	-15.3
Core Operating Income	800.1	817.9	+2.2

Income from financial transactions	30.4	16.5	-45.8
Gross Operating Income	830.5	834.4	+0.5

The Group's general administrative expenses (staff costs and other administrative expenses) registered an increase of 10.5% and stood at EUR 561.1 million in 2004 as against EUR 507.7 million in 2003.

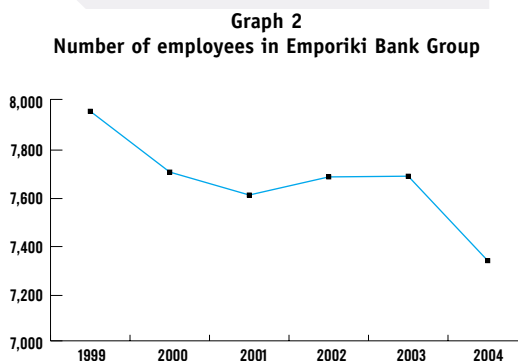
Staff costs amounted to EUR 424.7 million and increased by 13.9% compared to 2003. This sum includes the extra charge (EUR 49.2 million) to cover the deficit of the Auxiliary Pension Insurance Fund of Emporiki Bank Employees (TEAPETE), the cost of the voluntary retirement schemes and retroactive costs in connection with the Business Agreement and the bonus incentive allowance for branch executives during 2003. Other administrative expenses increased by only 1.2%, reflecting the impact of a series of actions launched with the objective of curtailing operating costs. The ratio of general administrative expenses to core operating income (gross operating income less income from financial transactions) rose to 68.6% in 2004 from 63.4% in 2003.

Depreciation of fixed assets for the Group amounted to EUR 129.7 million, registering an increase of 16.9%.

In 2004, the Group's cost-to-income ratio⁵ stood at 83.2%, as against 75.2% in 2003. However, if the amount used to cover the deficit of the Auxiliary Pension Insurance Fund is deducted from expenses, then the cost-to-income ratio is 77.3%.

Provisions for contingent liabilities stood at EUR 161.3 million, registering an increase of 79.9% compared to 2003.

The number of employees in the Group stood at 7,332 persons at the end of 2004, as against 7,682 persons at the end of 2003.



⁵The cost-to-income ratio is defined as the sum of General Administrative Expenses, Depreciation and Other Operating Expenses over Gross Operating Income.

13. BALANCE SHEETS

BASIC ACCOUNTING PRINCIPLES

The following basic accounting principles were applied for preparing the Balance Sheet and the accompanying "Profit & Loss Account":

1. VALUATION OF FIXED ASSETS AND CALCULATION OF DEPRECIATION

Tangible fixed assets were valued on 31.12.2004 at their acquisition value with the exception of land and buildings owned by the Bank, which were valued at their reasonable value in accordance with the provisions of L.3229/2004. The surplus value which resulted from the valuation amounted to EUR 213,933,252.11. Depreciation of all fixed assets was calculated in the 2004 accounting period using their historical cost and the decreased depreciation rates specified by the provisions of P.D. 299/2003.

2. VALUATION OF SECURITIES

The valuation of the trading portfolio (domestic and foreign bonds, shares, mutual fund units and derivative products) owned by the Bank has been performed in accordance with L.2992/2002 at current values. The result of the valuation has been directly charged to the financial result for the 2004 accounting period.

The valuation of participations was performed at the lowest value between acquisition cost and current cost. The valuation resulted in a loss amounting to EUR 129,660,348, offset in its entirety by the surplus value derived from the readjustment in the value of properties.

The current value is estimated as follows:

- a) For securities and derivative products in the trading portfolio which are listed on Stock Exchanges, the value which resulted from their valuation based on their stock market price on 31.12.2004.
- b) For participations in the investment portfolio which are listed on the Athens Stock Exchange, the value which resulted from their valuation based on the stock market price on 31.12.2004.
- c) For participations (shares) not listed on the Stock Exchange, their internal book value resulting from the latest Balance Sheets published by the companies concerned.
- d) For Greek Treasury Bonds, the prices in the Electronic Secondary Securities Market (HDAT) on 31.12.2004, and for foreign bonds, the international trading prices on 31.12.2004.

3. PROVISIONS FOR CONTINGENT LOSSES DUE TO BAD/DOUBTFUL DEBTS

The calculation of the total amount of contingent loss due to bad/doubtful debts is performed by the Bank on the basis of the detailed estimates –for each debtor case– produced by the Bank's competent officers, who take into consideration all existing relevant data and information.

The total amount of the contingent loss as indicated above is covered by the amount of the corresponding provision formed, which appears in the Balance Sheet as a deduction under Assets. Regarding this provision, it is clarified that for the 2004 accounting period an amount of EUR 121,203,000 was formed, in accordance with paragraph 2 of C.L. 396/68, as against EUR 79,000,000 for the 2003 accounting period. An additional provision amounting to EUR 27,000,000 was also formed.

4. VALUATION OF FOREIGN EXCHANGE AND OF CLAIMS AND OBLIGATIONS IN FOREIGN CURRENCIES

The valuation is performed on the basis of the current value of foreign currencies in euro on the last working day of the accounting period. Any resulting differences in foreign exchange are entered in the Profit & Loss Account. Items under Assets and Liabilities kept in foreign currencies, which are set-off against each other in total, have been expressed in euro based on the average reference prices on the last working day of the accounting period.

5. SEVERANCE AND REDUNDANCY PAYMENTS

Such compensation is covered by the Personnel Insurance Fund (TAPETE). In the event of a charge to be paid by the Bank, the corresponding amount is, by standard practice, charged to the accounting period during which it is paid.

6. ACCRUED AND NON-ACCRUED INTEREST (INCOME - EXPENSES)

Accrued interest on deposits, loans, investments etc. is transferred to the Profit & Loss Account, regardless of whether it is receivable (interest income) or has been rendered payable (interest expenses).

Non-accrued interest is carried forward to the next accounting period, provided that it has been entered in the books.

It is clarified that the above also apply to accrued interest on Greek Treasury Bonds.



EMPORIKI BANK OF GREECE S.A.
 (Reg. No. 6064/06/B/86/03)
BALANCE SHEET AS OF DECEMBER 31, 2004 (AMOUNTS IN EURO)
 (January 1, 2004 - December 31, 2004)
 97th YEAR

ASSETS	Fiscal Year 2004		Fiscal Year 2003	
1. Cash in hand and balances with the Central Bank		607,735,525.37		398,113,775.05
2. Treasury bills and other securities eligible for refinancing with the Central Bank				
a) Treasury bills and similar securities		27,773,085.14		9,791,647.39
3. Amounts due from Credit Institutions				
a) On demand	8,622,746.33		721,405.65	
b) Other amounts	1,033,099,364.59		932,508,838.29	
c) Reverse repos	<u>59,556,070.40</u>	<u>1,101,278,181.32</u>	<u>31,711,554.68</u>	<u>964,941,798.62</u>
4. Loans and advances to customers				
a) Loans	13,240,664,819.74		11,876,028,040.14	
b) Other amounts due from customers	<u>219,660,480.78</u>	<u>13,460,325,300.52</u>	<u>158,810,415.64</u>	<u>12,034,838,455.78</u>
Less: Provisions for doubtful debts		<u>(470,727,947.13)</u>	12,989,597,353.39	<u>(329,835,987.86)</u>
5. Bonds and other fixed-income securities issued by:				
a) The Government	1,364,467,700.88		1,351,982,634.91	
b) Other issuers	<u>485,091,934.43</u>	<u>1,849,559,635.31</u>	<u>572,384,371.25</u>	<u>1,924,367,006.16</u>
6. Shares and other variable-yield securities		101,181,824.72		287,271,074.09
7. Participations in non-affiliated companies		20,411,081.04		31,662,655.40
8. Participations in affiliated companies		<u>397,802,287.91</u>	2,368,954,828.98	<u>721,995,494.10</u>
9. Intangible assets				
a) Establishment and foundation expenses	24,883,682.81		20,344,043.24	
c) Other intangible assets	<u>95,262,912.43</u>	<u>120,146,595.24</u>	<u>80,985,700.18</u>	<u>101,329,743.42</u>
Less: Amortisation of intangible assets		<u>(73,727,683.17)</u>	46,418,932.07	<u>(52,830,231.34)</u>
10. Tangible assets				
a) Land	198,319,298.86		47,228,070.48	
b) Buildings	172,343,442.26		124,095,811.07	
Less: Depreciation of land and buildings	<u>(85,681,440.70)</u>	<u>284,981,300.42</u>	<u>(81,376,406.05)</u>	<u>89,947,475.50</u>
c) Furniture, electronic and other equipment	146,654,938.51		133,190,563.96	
Less: Depreciation of furniture, electronic and other equipment	<u>(109,096,875.85)</u>	<u>37,558,062.66</u>	<u>(100,066,846.81)</u>	<u>33,123,717.15</u>
d) Other tangible assets	12,867,703.85		12,343,372.42	
Less: Depreciation of other tangible assets	<u>(6,986,847.67)</u>	<u>5,880,856.18</u>	<u>(6,410,015.86)</u>	<u>5,933,356.56</u>
e) Fixed assets under construction and advances		<u>2,746,315.60</u>	331,166,534.86	<u>5,860,952.12</u>
13. Other assets			362,017,263.46	349,303,126.77
14. Prepayments and accrued income			<u>79,739,882.37</u>	<u>68,467,549.21</u>
TOTAL ASSETS		<u>17,914,681,586.96</u>		<u>16,644,281,608.12</u>
OFF-BALANCE SHEET ACCOUNTS (Assets)		<u>50,507,777,484.64</u>		<u>26,111,295,704.83</u>

LIABILITIES	Fiscal Year 2004		Fiscal Year 2003	
1. Amounts due to credit institutions				
a) On demand	67,832,483.74		69,176,211.66	
b) Time and at notice	687,339,411.41		1,156,253,858.42	
c) Other obligations	<u>577.96</u>	755,172,473.11	<u>126,064.60</u>	1,225,556,134.68
2. Amounts due to customers				
a) Deposits	13,466,410,032.90		12,123,019,489.61	
b) Other amounts due				
ba) On demand	109,942,394.81		132,105,030.22	
bc) Repos	<u>1,118,752,869.84</u>	<u>14,695,105,297.55</u>	<u>1,586,560,438.70</u>	15,067,241,093.21
3. Liabilities on debt instruments				
a) Debt instruments		398,780,000.00		-
b) Other debt instruments		<u>73,358.76</u>	398,853,358.76	<u>73,358.76</u>
4. Other liabilities			233,420,708.30	237,456,214.08
5. Deferred income and accrued expenses			124,097,260.33	70,910,992.10
6. Provisions against contingent liabilities and charges:				
a) Provisions for staff pensions		13,635,343.12		-
c) Other provisions		<u>17,452,687.02</u>	31,088,030.14	<u>29,347.03</u>
7. Subordinated debt			348,081,500.00	-
8. Paid up Share Capital (88,260,978 shares with nominal value Euro 5.5)		485,435,379.00		429,658,380.00
9. Share premium account		361,137,351.48		278,392,248.76
10. Reserves		587,705,378.62		605,360,678.17
10a. Treasury shares	(88,934,569.68)		(88,934,569.68)	
10b. Treasury shares reserves	<u>43,999,814.20</u>	(44,934,755.48)	<u>43,999,814.20</u>	(44,934,755.48)
11. Fixed assets revaluation reserve		84,371,313.75		94,051.49
12. Retained results				
- Retained losses brought forward		(144,851,708.60)	1,328,862,958.77	<u>1,268,570,602.94</u>
TOTAL LIABILITIES		<u>17,914,681,586.96</u>		<u>16,644,281,608.12</u>
Off-Balance Sheet Accounts (Liabilities)				
1. Contingent liabilities and commitments				
b1) Guarantees and assets pledged as collateral security		1,509,296,690.59		1,585,698,849.94
b2) Non-utilised credit lines		7,885,081,052.05		2,816,826,117.21
b3) Interest rate contracts		2,260,963,665.45		2,368,457,824.67
b4) Exchange rate contracts		194,908,145.17		126,758,046.40
b5) Other		<u>65,649,648.65</u>	11,915,899,201.91	<u>80,986,673.94</u>
2. Obligations resulting from temporary assignment transactions			1,137,092,459.54	1,487,029,686.31
3. Other Off-Balance Sheet Items				
a) Beneficiaries of third party assets		1,477,169,984.70		2,582,564,977.08
b) Obligations from bilateral agreements		1,872,684,943.83		2,185,228,523.33
c) Credit memorandum accounts		<u>34,104,930,894.66</u>	<u>37,454,785,823.19</u>	<u>17,645,538,506.36</u>
		<u>50,507,777,484.64</u>		<u>26,111,295,704.83</u>

NOTES:

1. Provisions against potential losses from bad and doubtful debt, in accordance with CL 396/68, are in our view adequate.
2. The net balance of treasury shares (after taking into account the reserve shown in the Appropriation Account) of EUR 44,934,755.48 appears under Liabilities as a deduction from Net Equity.
3. a) In the current financial period 2004, the Bank revaluated the non-depreciated value of buildings and land on December 31, 2004 at the reasonable value, in accordance with IAS as it was estimated by professional property appraisers, and resulted in additional value of a total amount of EUR 213,933,252.11 which was transferred to Liabilities under the account "Fixed assets revaluation reserve" b) In the same account a loss of EUR 129,660,348.00, which resulted from the valuation of shares of sociétés anonymes of the investment portfolio on December 31, 2004, was directly incorporated.
4. a) With the Decision No K2-14903/10-12-2004 of the Ministry of Development the merger by absorption with "Emporiki Bank of Greece S.A." of the sociétés anonymes "Emporiki Investment Bank S.A.", "Emporiki Investment Fund S.A.", "Emporiki Capital Group S.A.", and "Emporiki Factoring S.A." was approved, with transformation balance sheets dated the 31st May 2004 which resulted in an increase in the Share Capital by EUR 55,776,999.00. b) Additionally, with the Decision No K2-3315/24-3-2005 of the Ministry of Development the merger by absorption with "Emporiki Bank of Greece S.A." of the sociétés anonymes "Cadmus Investment Initiatives S.A.", "Cadmus Business Enterprises S.A." and "Cadmus Investments and Consulting Services S.A." was approved, with transformation balance sheets dated the 15th December 2004.
5. The Bank has been subject to tax inspection up to and including the 2002 financial period, consequently tax obligations on non-tax-audited financial periods of 2003 & 2004 have not yet been finalised.
6. The accounting principles applied by the Bank are included in the special chapter of the Report submitted by the Chairman of the Board of Directors to the Ordinary General Meeting of the Bank's Shareholders.

PROFIT & LOSS ACCOUNT
December 31, 2004 (January 1, 2004 - December 31, 2004)
(Amounts in euro)

	Fiscal Year 2004		Fiscal Year 2003	
1. Interest and similar income				
-Interest income from fixed-income securities	78,368,732.93		131,903,492.32	
-Other interest and similar income	<u>733,314,941.51</u>	811,683,674.44	<u>636,272,925.78</u>	768,176,418.10
Less:				
2. Interest expenses and similar charges		<u>(289,277,044.33)</u>		<u>(268,612,509.65)</u>
		522,406,630.11		499,563,908.45
Plus:				
3. Income from securities				
a) Income from shares and other variable-yield securities	3,858,274.81		5,564,940.68	
c) Income from participations in affiliated companies	<u>571,852.49</u>	4,430,127.30	<u>727,514.47</u>	6,292,455.15
4. Fee and commission income	150,812,777.20		152,793,700.57	
Less:				
5. Fee and commission expenses	<u>(11,865,518.37)</u>	138,947,258.83	<u>(17,371,962.02)</u>	135,421,738.55
Plus:				
6. Income from financial transactions		14,855,944.71		17,918,696.73
7. Other operating income		12,037,226.52		14,384,910.44
Less:				
8. General administrative expenses				
a) Staff costs				
-Wages and salaries	(250,476,245.61)		(224,319,018.62)	
-Social security costs	(59,968,513.16)		(57,197,820.12)	
-Other charges	<u>(90,645,018.86)</u>	(401,089,777.63)	<u>(63,228,905.35)</u>	(344,745,744.09)
b) Other administrative expenses		<u>(119,754,482.01)</u>	(520,844,259.64)	<u>(117,975,744.76)</u>
Less:				
9. Depreciation and amortisation		(37,015,069.03)		(31,147,993.41)
10. Other operating expenses		(2,619,385.15)		(2,861,792.89)
11+12. Valuation differences of amounts due and provisions for contingent liabilities		(148,203,000.18)		(79,000,000.00)
Less:				
13+14. Valuation adjustments on securities held as fixed assets		<u>(30,808,591.49)</u>		-
Net operating results		(46,813,118.02)		97,850,434.17
Plus:				
15. Extraordinary income		4,023,283.25		2,208,365.24
Less:				
16. Extraordinary expenses		(6,531,798.46)		(2,906,434.09)
Plus:				
17. Extraordinary results		<u>5,931,116.18</u>		<u>8,546,606.55</u>
18. RESULTS (Before Tax)		<u>(43,390,517.05)</u>		<u>105,698,971.87</u>

**APPROPRIATION ACCOUNT
(AMOUNTS IN EURO)**

	Fiscal Year 2004		Fiscal Year 2003	
Profit before tax		(43,390,517.05)		105,698,971.87
Retained loss resulting from absorbed companies		<u>(82,476,926.20)</u>		-
TOTAL		(125,867,443.25)		105,698,971.87
Plus:				
Taxed reserves from previous periods	-		17,635,868.41	
Less:				
Differences due to tax audit of previous periods	<u>(2,213,066.31)</u>	<u>(2,213,066.31)</u>	<u>(17,635,868.41)</u>	-
TOTAL		(128,080,509.56)		105,698,971.87
Less:				
1. Income tax		(8,385,292.92)		(31,673,759.79)
2. Other taxes not included in operating expenses		<u>(8,385,906.12)</u>		<u>(1,353,884.34)</u>
TOTAL PROFIT FOR DISTRIBUTION		<u>(144,851,708.60)</u>		<u>72,671,327.74</u>
Appropriation of profit				
1. Statutory reserve		-		2,751,772.97
2. Dividend (0,50 Euro per share)		-		40,683,228.00
2a. Treasury shares reserves		-		16,928,297.12
6. Tax-exempt reserves		-		9,100,155.95
6a. Reserves from untaxed or specially taxed income		-		3,125,296.35
7. Board of Directors fees		-		<u>82,577.35</u>
TOTAL		<u>-</u>		<u>72,671,327.74</u>

Athens, March 28, 2005

THE CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

GEORGE A. PROVOPOULOS
I.D. L. 373663/10.10.78 / NEA XALKIDONA

GENERAL MANAGER AND MEMBER
OF THE BOARD OF DIRECTORS

LEONIDAS A. ZONNIOS
I.D. H 918299/6.2.68 / ATHENS

THE MANAGER OF
THE ACCOUNTING DIVISION

GEORGIOS CH. MELETIS
I.D. M 248447/10.11.82 / AGIA PARASKEVI

AUDITORS' REPORT
To the shareholders of "Emporiki Bank of Greece S.A."

We audited the above financial statements and the related Appendix of "EMPORIKI BANK OF GREECE S.A." for the financial period ended on December 31, 2004. Our audit, in the context of which we were also notified of the full accounting report of the Bank's branches' activities, was carried out in accordance with the provisions of article 37, C.L. 2190/1920 "on Sociétés Anonymes" and the audit procedures we considered appropriate, on the basis of the principles and auditing standards followed by the Institute of Certified Public Accountants of Greece. We were given access to the books and data maintained by the Bank, and were supplied with the necessary information and clarifications we requested. The Bank correctly applied the Special Accounting Plan for Banks. The valuation method did not differ from the method applied in the previous financial period, with the exception of note no. 3(b) of the Bank. We confirmed the agreement of the contents of the Board's Management Report to the Ordinary General Meeting of the Bank's Shareholders with the contents of the related financial statements. The Appendix includes the information required under para. 1, article 43a, and article 129, C.L. 2190/1920. In our opinion, the above financial statements, as they arise from the Bank's books and records, represent, together with the Appendix, and after taking into consideration notes no. 3(b) and 5 of the Bank as shown under the Balance Sheet, the asset structure and the financial position of the Bank on December 31, 2004, and the Profit and Loss Account for the financial period ended on that date, based on the relevant provisions in force and on the accounting principles and methods applied, which are generally accepted and do not differ from those applied by the Bank in the previous financial period, with the exception of note no. 3(b) of the Bank.

Athens, March 28, 2005

THE CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS

STYLIANOS M. XENAKIS
SOEL Reg. No. 11541

GEORGIOS K. XENOKTISTAKIS
SOEL Reg. No. 14171

NIKOLAOS E. VOUNISEAS
SOEL Reg. No. 18701

SOL S.A. CERTIFIED AUDITORS

KPMG KYRIAKOY CERTIFIED AUDITORS S.A.



EMPORIKI BANK OF GREECE S.A.
(Reg. No. 6064/06/B/86/03)

11th CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2004
OF THE COMPANIES OF THE GROUP BELONGING TO THE FINANCIAL SECTOR
(AMOUNTS IN EURO)

ASSETS	Fiscal Year 2004		Fiscal Year 2003	
1. Cash in hand and balances with the Central Bank		644,167,777.82		432,482,880.91
2. Treasury bills and other securities eligible for refinancing with the Central Bank:				
(a) Treasury bills and similar securities	30,864,496.65		11,277,674.67	
(b) Other securities acceptable for refinancing	<u>4,682,653.53</u>	35,547,150.18	<u>4,363,484.08</u>	15,641,158.75
3. Amounts due from credit institutions				
(a) On demand	17,048,891.30		20,148,591.11	
(b) Other amounts	803,041,597.06		594,181,301.94	
(c) Reverse repos	59,556,070.40		31,711,554.68	
Less: Provisions for doubtful debts	<u>(23,910.50)</u>	879,622,648.26	<u>(33,470.18)</u>	646,007,977.55
4. Loans and advances to customers				
(a) Loans	13,580,097,542.73		12,002,551,488.45	
(b) Other amounts due from customers	236,754,950.40		382,163,972.33	
Less: Provisions for doubtful debts	<u>(489,328,759.24)</u>	13,327,523,733.89	<u>(354,360,002.71)</u>	12,030,355,458.07
5. Bonds and other fixed-income securities issued by:				
a) The Government	1,387,152,090.40		1,503,497,387.87	
b) Other issuers	<u>495,022,102.86</u>	1,882,174,193.26	<u>650,803,099.59</u>	2,154,300,487.46
6. Shares and other variable-yield securities		109,066,238.26		382,661,956.44
7. Participations in non-affiliated companies		47,062,249.38		109,249,479.24
8. Participations in non-consolidated companies		40,162,847.43		93,424,438.90
9. Intangible assets				
(a) Establishment and foundation expenses	34,902,487.42		24,786,828.08	
(c) Other intangible assets	110,756,354.56		99,427,389.94	
Less: Amortisation of intangible assets	<u>(81,528,471.20)</u>	64,130,370.78	<u>(62,808,603.78)</u>	61,405,614.24
10. Tangible assets				
a) Land		248,085,020.27		67,845,778.25
b) Buildings	329,871,506.16		201,017,296.61	
Less: Depreciation of land and buildings	<u>(108,510,713.57)</u>	221,360,792.59	<u>(93,644,035.37)</u>	107,373,261.24
c) Furniture, electronic & other equipment	230,723,367.31		213,547,930.57	
Less: Depreciation of furniture, electronic and other equipment	<u>(144,798,299.67)</u>	85,925,067.64	<u>(138,386,376.13)</u>	75,161,554.44
d) Other tangible assets	311,106,056.91		300,461,582.32	
Less: Depreciation of other tangible assets	<u>(156,677,194.35)</u>	154,428,862.56	<u>(131,654,574.91)</u>	168,807,007.41
e) Fixed assets under construction and advances		36,168,706.83		109,849,734.11
12. Other assets		374,037,572.33		362,458,348.43
13. Prepayments and accrued income		<u>86,224,621.23</u>		<u>70,937,474.58</u>
TOTAL ASSETS		<u>18,235,687,852.71</u>		<u>16,887,962,610.02</u>
OFF-BALANCE SHEET ACCOUNTS (Memo accounts)				
1. Contingent liabilities and commitments				
a) From accepting and discounting bills		223,284.93		229,273.78
b1) Guarantees and assets pledged as collateral security	1,542,968,010.09		1,616,544,821.83	
b2) Non-utilised credit lines	7,993,155,258.40		2,903,234,622.64	
b3) Interest rate contracts	2,260,963,665.45		2,368,457,824.67	
b4) Exchange rate contracts	194,908,145.17		126,792,016.40	
b5) Other	<u>65,649,648.65</u>	12,057,868,012.69	<u>363,493,982.38</u>	7,378,752,541.70
2. Obligations resulting from temporary assignment transactions		1,137,092,459.54		1,487,029,686.31
3. Other Off-Balance Sheet Items				
a) Beneficiaries of third party assets	1,575,509,279.62		3,122,245,163.25	
b) Obligations from bilateral agreements	1,900,322,417.55		2,194,281,844.42	
c) Credit memorandum accounts	<u>34,196,707,661.73</u>	<u>37,672,539,358.90</u>	<u>13,058,384,192.10</u>	<u>18,374,911,199.77</u>
TOTAL OFF-BALANCE SHEET ACCOUNTS		<u>50,867,499,831.13</u>		<u>27,240,693,427.78</u>

LIABILITIES	Fiscal Year 2004		Fiscal Year 2003	
1. Amounts due to credit institutions				
(a) On demand	72,442,525.62		76,763,479.75	
(b) Time and at notice	733,826,431.21		1,208,540,926.34	
(c) Other obligations	<u>465,581.71</u>	806,734,538.54	<u>5,209,215.31</u>	1,290,513,621.40
2. Amounts due to customers				
(a) Deposits	13,771,199,003.87		12,360,346,415.52	
(b) Other obligations:				
ba) On demand	110,448,799.44		132,410,751.68	
bb) Time and at notice	-		540,565.37	
bc) Repos	<u>1,079,334,982.11</u>	14,960,982,785.42	<u>1,549,383,956.96</u>	14,042,681,689.53
3. Liabilities on debt instruments				
(a) Debt instruments	397,500,000.00		-	
(b) Other debt instruments	<u>73,358.76</u>	397,573,358.76		73,358.76
4. Other Liabilities		263,392,133.96		262,671,311.43
5. Deferred income and accrued expenses		135,995,805.56		77,430,282.30
6. Provisions against contingent liabilities and charges				
(a) Provisions for staff pensions and similar obligations	15,595,458.42		3,114,461.70	
(c) Other provisions	<u>33,397,810.34</u>	48,993,268.76	<u>11,774,973.26</u>	14,889,434.96
7. Subordinated debt		348,850,000.00		-
8. Share capital				
-Paid-up capital	485,435,379.00		429,658,380.00	
9. Share premium account	361,137,351.48		278,392,248.76	
10. Reserves	450,864,938.58		497,048,288.03	
10a. Treasury shares reserves	43,999,814.20		43,999,814.20	
10b. Treasury shares	(88,934,569.68)		(88,934,569.68)	
11. Fixed Assets Revaluation reserve	177,232,916.78		126,858.54	
12. Retained results	(176,912,382.83)		260,528.94	
13. Foreign exchange differences resulting from conversion of B/S of foreign subsidiaries	(5,438,443.01)		(16,759,572.75)	
14. Consolidation differences	(1,768,996.16)		(3,470,853.24)	
16. Minority interests	<u>27,549,953.35</u>	1,273,165,961.71	<u>59,381,788.84</u>	1,199,702,911.64
TOTAL LIABILITIES		<u>18,235,687,852.71</u>		<u>16,887,962,610.02</u>

NOTES:

- The financial sector companies that have been included in the consolidated accounts besides Emporiki Bank of Greece S.A. are: 1. Emporiki Bank-Germany GmbH. 2. Emporiki Bank-Romania S.A. 3. Ermis Mutual Fund Management Co S.A. 4. Emporiki Leasing S.A. 5. Emporiki Assets-Liabilities Management & Liquidation S.A. 6. Emporiki Bank-Georgia S.A. 7. Emporiki Bank-Bulgaria A.D. 8. Emporiki Bank-Armenia C.J.S.C. 9. Emporiki Bank-Albania S.A. 10. Emporiki Asset Management S.A. 11. Emporiki Bank-Cyprus Ltd. 12. Emporiki Real Estate S.A. 13. Emporiki Venture Capital Funds Ltd. 14. Emporiki Venture Capital Enterprises Ltd. 15. Emporiki Venture Capital Developed Markets Ltd. 16. Emporiki Venture Capital Emerging Markets Ltd. 17. Emporiki Credicom Bank S.A. 18. Therna Real Estate S.A. 19. Therna Real Estate S.A. 20. Kolonos Real Estate S.A. and 21. Emporiki Group Finance PLC. Those from the 17th to 21st of the above listed companies are consolidated for the first time with respect to the previous period 1/1- 31/12/2003.
- With the Decision No K2-14903/10-12-2004 of the Ministry of Development the merger by absorption with "Emporiki Bank of Greece S.A." of the sociétés anonymes "Emporiki Investment Bank S.A.", "Emporiki Investment Fund S.A.", "Emporiki Capital Group S.A.", and "Emporiki Factoring S.A." was approved, with transformation balance sheets dated the 31st May 2004, which resulted in an increase of the Share Capital of EUR 55,776,999.00. Additionally, with the Decision No K2-3315/24-3-2005 of the Ministry of Development the merger by absorption with "Emporiki Bank of Greece S.A." of the sociétés anonymes "Cadmus Investment Initiatives S.A.", "Cadmus Business Enterprises S.A." and "Cadmus Investments and Consulting Services S.A." was approved, with transformation balance sheets dated the 15th December 2004.
- The account "Participations in non-consolidated companies" also includes participations of the amount of EUR 14,014,471.29 in subsidiary companies outside the financial sector which were consolidated on the basis of the Equity Method.
- The net balance of EUR 39,996,460 between the participation value and the equity value of a subsidiary company outside the financial sector, in the financial period 2004, was consolidated on the basis of the Equity Method and was directly recorded as a decrease in consolidated Own Funds.
- a) In the current financial period 2004, the Bank and one subsidiary company revaluated the non-depreciated value of buildings and land on December 31, 2004 at the reasonable value, in accordance with IAS as it was estimated by professional property appraisers, and resulted in additional value of a total amount of EUR 215,522,099.38 which was transferred to Liabilities under the account "Fixed Assets Revaluation Reserve" b) In the same account a loss of EUR 38,418,169.73, which resulted from the valuation of shares of sociétés anonymes of the investment portfolio of the parent Bank on December 31, 2004, was directly incorporated.
- The Bank has been subject to tax inspection up to and including the 2002 financial period, consequently tax obligations on non-tax-audited financial periods of 2003 & 2004 have not yet been finalised.
- Provisions against potential losses from bad and doubtful debt at the Group level are in our view adequate.
- The net balance of treasury shares (after taking into account the reserve shown in the Appropriation Account) of about EUR 45 million appears under Liabilities as a deduction from Net Equity.
- The basic accounting principles applied on December 31, 2004 are those followed by standard practice.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
December 31, 2004 (January 1, 2004 - December 31, 2004)
(AMOUNTS IN EURO)

	Fiscal Year 2004		Fiscal Year 2003	
1. Interest and similar income				
-Interest income from fixed-income securities	80,882,342.49		141,213,760.22	
-Other interest and similar income	875,248,738.38	956,131,080.87	751,902,885.53	893,116,645.75
Less:				
2. Interest expenses and similar charges		(306,587,986.16)		(281,327,181.10)
		649,543,094.71		611,789,464.65
Plus:				
3. Income from securities				
(a) Income from shares and other variable-yield securities	4,136,484.91		8,321,676.17	
(b) Income from participating interests	1,033,932.37		5,927,916.03	
(c) Income from participations in affiliated companies	256,101.34		812,922.47	
Plus:				
(d) Incorporation of the results of non-consolidated companies of the Group	454,103.38	5,880,622.00	(2,183,605.28)	12,878,909.39
4. Fee and commission income	162,636,243.72		173,949,659.67	
Less:				
5. Fee and commission expenses	(13,995,166.53)	148,641,077.19	(14,906,556.38)	159,043,103.29
Plus:				
6. Income from financial transactions		16,508,602.72		30,447,359.80
Plus:				
7. Other operating income		13,886,256.48		16,389,007.45
Less:				
8. General administrative expenses				
(a) Staff costs				
-Wages and salaries	(270,369,938.89)		(247,358,258.62)	
-Social security costs for pensions	(61,755,823.44)		(59,942,107.01)	
-Other charges	(92,551,574.55)	(424,677,336.88)	(65,565,546.23)	(372,865,911.86)
(b) Other administrative expenses		(136,376,027.06)		(134,791,957.90)
Less:				
9. Depreciation and amortisation		(129,706,294.36)		(110,991,917.15)
10. Other operating expenses		(3,258,452.51)		(6,075,600.56)
11+12. Valuation differences of amounts due and provisions for contingent liabilities		(161,348,387.16)		(89,707,262.60)
Less:				
13+14. Value adjustments on securities held as fixed assets		(30,878,654.59)		(13,597,794.70)
NET OPERATING PROFIT		(51,785,499.46)		102,517,399.81
15. Extraordinary income		4,972,390.18		6,295,457.64
16. Extraordinary expenses		(6,935,081.58)		(4,394,223.61)
17. Extraordinary results		4,995,871.38		8,418,759.95
18. Profit (Before Tax)		(48,752,319.48)		112,837,393.79
Less:				
1. Income tax		(12,561,187.81)		(35,781,998.03)
2. Tax differences from previous years		(2,264,116.64)		-
3. Other taxes not incorporated in operating cost		(8,626,498.34)		(1,205,423.28)
Net profit (after tax)		(72,204,122.27)		75,849,972.48
Minority interests		5,160,642.45		(4,074,053.38)
GROUP NET PROFIT AFTER TAX		(67,043,479.82)		71,775,919.10

Athens, March 28, 2005

THE CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

GEORGE A. PROVOPOULOS
I.D. L 373663/10.10.78 / NEA XALKIDONA

GENERAL MANAGER AND MEMBER
OF THE BOARD OF DIRECTORS

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THE MANAGER OF
THE ACCOUNTING DIVISION

GEORGIOS CH. MELETIS
I.D. M 248447/10.11.82 / AGIA PARASKEVI

AUDITORS' REPORT

To the shareholders of "Emporiki Bank of Greece S.A." and its subsidiaries

We audited, in accordance with the provisions of article 108, C.L. 2190/1920 on "Sociétés Anonymes", the eleventh Consolidated Balance Sheet and the Consolidated Profit & Loss Account, as well as the related Appendix of "Emporiki Bank of Greece S.A." and of its subsidiaries for the financial period ended on December 31, 2004. For the purposes of our audit, we applied the procedures we considered appropriate, which are consistent with the principles and auditing standards followed by the Institute of Certified Public Accountants of Greece, and confirmed the agreement of the Consolidated Management Report with the above consolidated financial statements. In our opinion, after taking into consideration notes no. 4, 5(b) and 6 of the Bank as shown under the Consolidated Balance Sheet, the above consolidated financial statements have been prepared in accordance with the provisions of C.L. 2190/1920, and accurately reflect the asset structure, the financial position and the results of all the companies included in the consolidation of December 31, 2004, based on the relevant provisions in force and on the accounting principles and methods applied by the parent Bank, which are generally accepted and do not differ from those applied in the previous financial period, with the exception of note no. 5(b) of the Bank.

Athens, March 28, 2005

THE CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS

STYLIANOS M. XENAKIS
SOEL Reg. No. 11541

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SUMMARY OF THE MINUTES OF THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF EMPORIKI BANK OF GREECE S.A.

April 25, 2005

The Ordinary General Meeting of the Shareholders of Emporiki Bank was held on April 25, 2005. The Meeting was attended by shareholders and representatives thereof, who represented 46,057,395 shares out of a total of 88,260,978 shares.

The General Meeting:

- Approves and ratifies the submitted Financial Statements for the financial period 2004 and the related Profit & Loss Account, as prepared and published by the Board of Directors.
- Declares that no dividend is to be paid for the financial period 2004.
- Releases by vote, effected by roll-call, the members of the Board and the auditors from any liability for damages relating to the financial period 2004.
- Ratifies the election of new members of the Board to replace the resigned members.
- Approves and grants, in accordance with article 23, para. 1, C.L. 2190/1920, permission to members of the Board and Managers to participate in the Boards or in the Management of Group companies pursuing objectives similar or related to those of the Bank.
- Approves the emoluments paid to the members of the Board for the year 2004, and approves in advance the fees of the members of the Board for the year 2005, which also include fees and other remunerations of the non-executive members.
- Approves the remunerations of the independent members of the Board who are also members of the Audit Committee for the year 2004, and approves in advance the remunerations of the independent members of the Board who are also members of the Audit Committee for the year 2005.
- Appoints the firm PRICE WATER HOUSE COOPERS as Certified Auditors, and elects in total two regular and two substitute Auditors for the year 2005.

Athens, April 25, 2005
The Chairman

George A. Provopoulos