ALPHA BANK

GROUP FINANCIAL STATEMENTS AS AT 30.6.2005

(In accordance with the International Financial Reporting Standards – IFRS)

ATHENS

30 AUGUST 2005

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Review Report

To the Shareholders of ALPHA BANK A.E.

We have reviewed the accompanying interim consolidated financial statements (financial statements) of ALPHA BANK A.E. ("the Bank") for the six month period ended 30 June 2005. These financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400 as provided by the Greek Auditing Standards. This standard requires that we plan and perform the review to obtain moderate assurance that the financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly in all material respects, in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union including the assumptions management has made about the policies expected to be adopted when management prepares its first annual financial statements in accordance with IFRS adopted by the European Union as of 31 December 2005.

Without qualifying our review conclusion, we draw attention to: a) Note 38b to the financial statements that explains that the tax obligations of the Bank and its subsidiaries for certain years have not yet been audited by the tax authorities and accordingly their tax obligations for those years are not considered final. The outcome of the tax audits can not presently be determined. b) Note 1.1 to the financial statements that explains why there is a possibility that the Bank's management may determine that changes to the accounting policies adopted in preparing the financial statements are necessary when management prepares its first annual financial statements as of 31 December 2005 in accordance with IFRS adopted by the European Union.

Athens, 30 August 2005
KPMG Kyriacou Certified Auditors A.E.

Marios T. Kyriacou,
Certified Auditor Accountant
AM SOEL 11121

Nick Vouniseas,
Certified Auditor Accountant
AM SOEL 18701

Consolidated income statement

(Thousands of Euro)

	Note	From 1 January to 30.6.2005	From 1 January to 30.6.2004	From 1 April to 30.6.2005	From 1 April to 30.6.2004
Interest and similar income	2	862,421	742,596	446,773	378,956
Interest expense and similar charges	2	279,594	230,189	144,315	116,299
Net interest income		582,827	512,407	302,458	262,657
Fee and commission income	3	174,227	175,071	90,059	87,623
Fee and commission expense	3	10,853	9,353	5,929	5,276
Net fee and commission income		163,374	165,718	84,130	82,347
Dividend income	4	2,516	1,277	2,385	1,217
Gains less losses on financial transactions	5	4,571	48,875	(10,296)	(781)
Other income	6	56,252	41,800	35,396	28,250
		63,339	91,952	27,485	28,686
Total income		809,540	770,077	414,073	373,690
Staff costs	7	225,286	206,543	113,223	101,784
General administrative expenses	8	146,662	183,224	76,841	90,086
Depreciation and amortisation expenses	19,20,21	29,871	28,259	15,079	13,721
Other expenses	31	1,238	16	948	10
Total expenses		403,057	418,042	206,091	205,601
Impairment losses on loans and advances	9	124,216	106,023	58,885	53,597
Share of profit (loss) of associates	18	(1,149)	38,515	100	37,499
Profit before tax		281,118	284,527	149,197	151,991
Income tax expense	10	55,741	74,114	25,957	36,598
Profit after tax		225,377	210,413	123,240	115,393
Attributable to equity holders of the Bank		223,319	208,302	122,132	114,365
Attributable to minority interests		2,058	2,111	1,108	1,028
Earnings per share:	11				
Basic earnings per share (€)		0.78	0.73	0.42	0.40
Diluted earnings per share (€)		0.78	0.73	0.42	0.40

The attached notes (pages 15 to 105) form part of these financial statements.

Consolidated balance sheet

(Thousands of Euro)

	Note	30.6.2005	31.12.2004
ASSETS			
Cash and balances with Central Banks	12	1,396,358	1,755,349
Due from banks	13	9,564,109	5,222,824
Securities held for trading	14	363,094	162,102
Derivative financial assets	15	182,543	171,633
Loans and advances to customers	16	24,361,031	22,280,245
Investment securities			
-Available-for-sale	17	2,548,506	1,973,594
Investments in associates	18	11,506	107,363
Investment property	19	63,643	27,359
Property, plant and equipment	20	948,343	916,767
Goodwill and other intangible assets	21	102,344	30,861
Deferred tax assets	22	203,761	200,158
Other assets	23	382,869	388,553
		40,128,107	33,236,808
Non current assets held for sale	24	51,906	-
Total Assets		40,180,013	33,236,808
LIABILITIES			
Due to banks	25	5,949,895	1,544,315
Derivative financial liabilities	15	161,016	228,945
Due to customers	26	20,733,423	20,696,624
Debt securities in issue and other borrowed funds	27	8,412,253	6,727,078
Liabilities for current income tax and other taxes	28	69,154	175,550
Deferred tax liabilities	22	10,916	3,883
Employee defined benefit obligations	29	580,692	557,269
Other liabilities	30	883,864	666,605
Provisions	31	301,316	289,093
Total Liabilities		37,102,529	30,889,362
EQUITY			
Equity attributable to equity holders of the Bank			
Share Capital	32	1,456,018	1,274,272
Share premium	33	125,685	-
Reserves	34	380,724	365,095
Retained earnings	35	243,877	366,091
Treasury shares	36	(30,166)	(18,873)
		2,176,138	1,986,585
Minority interest		63,142	63,508
Hybrid securities	37	838,204	297,353
Total Equity		3,077,484	2,347,446
Total Liabilities and Equity		40,180,013	33,236,808

The attached notes (pages 15 to 105) form part of these financial statements.

Consolidated statement of changes in equity (Thousands in Euro)

	Note	Share capital	Share premium	Fair value reserve and other reserves	Translation reserve	Retained Earnings	Treasury Shares	Total	Minority Interests	Hybrid Securities	Total equity
Balance 1.1.2004		953,721	244,914	296,830	-	235,014	(1,048)	1,729,431	141,472	225,434	2,096,337
Changes in equity for the period 1.1-30.6.2004											
Movement in the available-for-sale securities reserve		-	-	(23,297)	-	-	-	(23,297)	-	-	(23,297)
Effect of translation of foreign subsidiaries		-	-	-	7,167	-	-	7,167	-	-	7,167
Other	35	-	-	-	-	2,838	-	2,838	-	-	2,838
Taxes recognized directly in equity	35	-	-	-	-	(2,309)	-	(2,309)	-	-	(2,309)
Profit (loss) recognized directly in equity		-	-	(23,297)	7,167	529	-	(15,601)	-	-	(15,601)
Profit (loss) for the period		-	-	-	-	208,302	-	208,302	2,111	-	210,413
Total	35	-	-	(23,297)	7,167	208,831	-	192,701	2,111	-	194,812
Share capital increase	32	319,996	-	-	-	(319,996)	-	-	-	-	-
Ex-Ionian Bank goodwill net-off	33	-	(244,914)	-	-	244,914	-	-	-	-	-
Dividends paid to equity holders of the Bank and minority interests	35	-	-	-	-	(117,502)	-	(117,502)	(1,058)	-	(118,560)
Change of participating interests in subsidiaries	35	-	-	-	-	(8,441)	-	(8,441)	(76,226)	-	(84,667)
Sale of treasury shares and hybrid securities	35	-	-	-	-	-	813	813	-	74,545	75,358
Share options valuation		-	-	414	-	-	-	414	-	-	414
Dividends paid to hybrid securities holders	35	-	-	-	-	(6,779)	-	(6,779)	-	-	(6,779)
Reserves		-	-	4,373	-	(4,373)	-	-	-	-	-
Balance 30.6.2004		1,273,717	-	278,320	7,167	231,668	(235)	1,790,637	66,299	299,979	2,156,915

	Note	Share capital	Share premium	Fair value reserve and other reserves	Translation reserve	Retained Earnings	Treasury Shares	Total	Minority Interests	Hybrid Securities	Total equity
Balance 1.7.2004		1,273,717	-	278,320	7,167	231,668	(235)	1,790,637	66,299	299,979	2,156,915
Changes in equity for the period 1.7-31.12.2004											
Movement in the available-for-sale securities reserve		-	-	24,105	-	-	-	24,105	-	-	24,105
Effect of translation of foreign subsidiaries	35	-	-	-	(2,277)	-	-	(2,277)	-	-	(2,277)
Other	35	-	-	-	-	(588)	-	(588)	-	-	(588)
Profit (loss) recognized directly in equity		-	-	24,105	(2,277)	(588)	-	21,240	-	-	21,240
Profit (loss) for the period		-	-	-	-	199,926	-	199,926	1,461	-	201,387
Total	35	-	-	24,105	(2,277)	199,338	-	221,166	1,461	-	222,627
Change of participating interests in subsidiaries	35	-	-	-	-	(291)	-	(291)	(4,252)	-	(4,543)
Purchase of treasury shares and hybrid securities	36	-	-	-	-	-	(18,638)	(18,638)	-	(2,626)	(21,264)
Share options valuation		-	-	419	-	-	-	419	-	-	419
Dividends paid to hybrid securities holders	35	-	-	-	-	(7,263)	-	(7,263)	-	-	(7,263)
Share options exercise	32	555	-	-	-	-	-	555	-	-	555
Reserves	35	-	-	57,361	-	(57,361)	-	-	-	-	-
Balance 31.12.2004		1,274,272	-	360,205	4,890	366,091	(18,873)	1,986,585	63,508	297,353	2,347,446

	Note	Share capital	Share premium	Fair value reserve and other reserves	Translation reserve	Retained Earnings	Treasury Shares	Total	Minority Interests	Hybrid Securities	Total equity
Balance 1.1.2005		1,274,272	-	360,205	4,890	366,091	(18,873)	1,986,585	63,508	297,353	2,347,446
Changes in equity for the period 1.1-30.6.2005											
Movement in the available-for-sale securities reserve		-	-	624	-	-	-	624	-	-	624
Effect of translation of foreign subsidiaries		-	-	-	11,823	-	-	11,823	-	-	11,823
Other	35	-	-	-	-	9	-	9	-	-	9
Profit (loss) recognized directly in equity		-	-	624	11,823	9	-	12,456	-	-	12,456
Profit (loss) for the period		-	-	-	-	223,319	-	223,319	2,058	-	225,377
Total	35	-	-	624	11,823	223,328	-	235,775	2,058	-	237,833
Issue of hybrid securities	37	-	-	-	-	-	-	-	-	588,000	588,000
Merger of Delta Singular A.E.	32,33	24,011	125,685	-	-	(562)	-	149,134	-	-	149,134
Capitalization of reserves	32	157,735	-	-	-	(157,735)	-	-	-	-	-
Acquisition of subsidiary and change of participating interests in subsidiaries	35	-	-	-		(3,838)	-	(3,838)	(1,348)	-	(5,186)
Purchase of treasury shares and hybrid securities	35	-	-	-	-	-	(11,293)	(11,293)	-	(47,149)	(58,442)
Share options valuation		-	-	1,104	-	-	-	1,104	-	-	1,104
Dividends paid to equity holders of the Bank and minority interests	35	-	-	-	-	(174,064)	-	(174,064)	(1,076)	-	(175,140)
Dividends paid to hybrid securities holders	35	-	-	-	-	(7,265)	-	(7,265)	-	-	(7,265)
Reserves		-	-	2,078	-	(2,078)	-	-	-	-	-
Balance 30.6.2005		1,456,018	125,685	364,011	16,713	243,877	(30,166)	2,176,138	63,142	838,204	3,077,484

The attached notes (pages 15 to 105) form part of these financial statements.

Consolidated Cash flow statement

(Thousands of Euro)

	Note	From 1 January to 30.6.2005	30.6.2004
Cash flows from operating activities			
Profit before taxes		281,118	284,527
Adjustments for:			
Depreciation of property, plant and equipment	19,20	22,723	21,589
Amortisation of intangible assets	21	7,148	6,670
Impairment losses and provisions		134,319	118,591
Gains (losses) from investing activities		(14,112)	(43,313)
Gains (losses) from financing activities		14,716	12,462
Share of (profit) loss of associates	18	1,149	(38,515)
		447,061	362,011
Net (increase) decrease in assets relating to operating activities:			
Due from Banks		8,678	(40,715)
Securities held for trading and derivative financial assets		(211,902)	(663,312)
Loans and advances to customers		(2,150,618)	(1,546,428)
Other assets		(8,181)	(29,377)
Net increase (decrease) in liabilities relating to operating activities			
Due to banks		4,423,284	(1,195,405)
Trading and derivative financial liabilities		(67,929)	(126,809)
Due to customers		1,643,848	1,572,039
Other liabilities		184,452	192,306
Net cash from operating activities before taxes		4,268,693	(1,475,690)
Income taxes paid		(155,104)	(128,668)
Net cash flows from operating activities		4,113,589	(1,604,358)
Cash flows from investing activities			
Acquisitions of subsidiaries and associates		(132,422)	(82,683)
Proceeds from sale of investments in subsidiaries and associates		-	-
Dividends received	4	2,516	1,277
Acquisition of fixed assets	19,20,21	(25,376)	(25,164)
Disposals of fixed assets		1,314	600
Net (increase) decrease in investment securities		(511,850)	(102,913)
Net cash flows from investing activities		(665,818)	(208,883)
Cash flows from financing activities			
Dividends paid		(168,051)	(118,683)
Acquisition of treasury shares		(11,293)	-
Proceeds from the issue of subordinated debt		186,524	110,145
Repayment of subordinated debt		(15,035)	(12,480)
Proceeds from the issue of Hybrid securities		540,851	74,545
Repayment of dividends from Hybrid securities		(7,263)	(6,779)
Net cash flows from financing activities		525,733	46,748
Effect of exchange rate fluctuations on cash and cash equivalents		11,823	7,167
Net increase (decrease) in cash and cash equivalents		3,985,327	(1,759,326)
Cash and cash equivalents at beginning of the period	12	6,437,078	7,175,245
Cash and cash equivalents at end of the period	12	10,422,405	5,415,919

The attached notes (pages 15 to 105) form part of these financial statements.

General information

The Alpha Bank Group includes companies in Greece and abroad which offer services as:

- Corporate and retail banking
- Financial services
- Investment banking and brokerage services
- Insurance services
- Real estate management
- Hotel activities

The parent company of the Group is ALPHA BANK S.A. which operates under the brand name of ALPHA BANK S.A. and with the sign of ALPHA BANK. Its registered office is at 40 Stadiou Street, Athens and it is listed as a societe anonyme, with number 6066/06/B/86/05.

The Bank's duration is until 2100 which can be extended by a decision of the shareholders in a general meeting. In accordance with article 4 of the articles of association, the Bank's purpose is to provide general banking services in Greece and abroad.

The term of the Board of Directors, which were elected by the shareholders' in a general meeting of April 19, 2005 ends in 2010. The members of the Board of Directors consist of:

CHAIRMAN (executive member)

Yannis S. Costopoulos
Mr. Costopoulos was born in Athens. He studied to become a shipbuilder at King's College Durham University in England. His career started at the Credit Commercial Bank in 1963. He was chief executive officer and general manager of the Bank from 1973 and Chairman of the Board of Directors and general manager from 1984 up to 1996. As of 23 February 2005 he holds the position of Executive President.

VICE-CHAIRMAN (non-executive member)

Andreas L. Canellopoulos
Mr. Canellopoulos is President of Titan Cement Company S.A. He was elected to the Bank's Board of Directors in 1989 and from 1995 was appointed non-executive Vice President. From 1994 up to 2000 he was the president of the Greek Industries Union.

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demitrios P. Mantzounis
Mr. Mantzounis was born in Athens. He studied political sciences at the Aix-Marseille University. Mr. Mantzounis joined the Bank in 1973 and was appointed general manager in 2002. On 23 February 2005 he was elected Managing Director.

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Marinos S. Yannopoulos (CFO)
Mr. Yannopoulos was born in Athens and holds degrees in Economics (MA in Industrial Economics) from Sussex University and Business Administration (MBA) from Manchester Business School. He worked abroad for 15 years for Chase Manhattan Bank and Exxon, in London, New York, Frankfurt, Milan, Rome and 2 years as general manager of Ionian and Popular Bank of Greece. On 23 February 2005 he was appointed General Manager of the Bank.

Spyros N. Filaretos
Mr. Filaretos was born in Athens. He studied economics at the University of Manchester and Sussex. He joined the Bank in 1985 and in 1997 was appointed executive general manager. On 23 February 2005 he was appointed general manager.

Artemis Ch. Theodoridis
Mr. Theodoridis was born in Athens. He studied Economics and holds an MBA from the University of Chicago. He is the Chairman and Managing Director of Alpha Finance and was appointed executive General Manager of the Bank in 2002. From 23 February 2005 he was appointed General Manager. He served as a member of the Board of Directors of the Athens Stock Exchange (1996-1999)and the Capital Securities Depository (2000-2002).

NON-EXECUTIVE MEMBERS

George E. Agouridis *
Mr. Agouridis is a lawyer and president of the Hellenic Advisory Committee of Stavros S. Niarchos foundation. He is a member of the Bank's Board of Directors from 2000.

Sophia G. Eleftheroudaki
Ms Eleftheroudaki is Managing Director of book store and publishing company G.C. Elephteroudakis S.A. since 1983. She was elected to the Board of Directors in 2005.

Paul G. Karakostas*
Mr. Karakostas is Chairman and Managing Director of GENKA Investment S.A. He was elected to the Bank's Board of Directors in 2000. He was president of the Greek British Commercial Council and was president of the Greek Winery Union.

Ioannis K. Lyras **
Mr. Lyras is Chairman of Paralos Maritime Corporation S.A. He is a member of the Bank's Board of Directors since 2005. He was the president of the Greek Shipowners Association from 1997 to 2003, he also represents the Greek Shipowners Associations Brand at Directors of the Union of European Shipowners.

Nicholaos I. Manessis **
Mr. Manessis is Chairman of the Board of Directors of Halivourgia Thessalia S.A. and a member of the Board of Directors of the Greek Steel Industry Company S.A. He is also a member of the Bank's Board of Directors since 2005.

Minas G. Tanes *
Mr. Tanes is Managing Director and General Manager of Athenian Brewery S.A. since 1976. He is member of the Bank's Board of Directors since 2003.

INDEPENDENT NON-EXECUTIVE MEMBERS

Pavlos A. Apostolides **
Mr. Apostolides graduated from the Athens Law School. He is member of the Diplomatic Corp since 1965 and he was, among other things, the ambassador of Greece in Cyprus and a resident representative of Greece in the European Union in Brussels. In 1998 he was appointed General Secretary of the foreign office and the following year was appointed Director of National Information Service, until his retirement in November 2004.

Thanos M. Veremis
Professor of Political Sciences at the University of Athens since 1987. He is a member of the Bank's Board of Directors since 2000. He is also a member of the Board of Directors of the Hellenic Union of European and Foreign Politics (ELIAMEP) since 1998 and was the president of the Union from 1995 to 2000.

SECRETARY

Hector P. Verykios
Manager, Alpha Bank

*   Member of the Audit Committee
** Member of the Remuneration Committee

The certified auditors of the Bank are:

Principal Auditors:	Marios T. Kyriacou
	Nick E. Vouniseas
Substitute Auditors:	Garyfallia B. Spyriouni
	Nick Ch. Tsiboukas

of KPMG Kyriacou Certified Auditors S.A.

The Bank's shares are listed on the Athens Stock Exchange since 1925. Since February 2004 the Bank has been included in the FTSE Eurotop 300 Index, which consists of the 300 largest European companies.

Apart from the Greek market, the shares of the Bank are traded over the counter in London and New York in the form of international certificates (GDR's and ADR's).

The Bank as 30 June 2005 has issued 291,203,608 shares after the distribution of 2 shares for each 10 shares in issue, and its capitalization amounts to € 6.4 billion.

The Group's growth and consistent dividend policy has attracted local and foreign investors. This has increased the shares' liquidity which for the six-month period to 30 June 2005 amounted to an average of 800,000 shares per day.

The rating of the Bank which remains in high level, in accordance with international ratings agencies, is as follows:

Standard and Poor's:	BBB+
Moody's:	A3
Fitch:	A-.

The Board of Directors approved the consolidated financial statements on 30 August 2005.

Notes to the Consolidated Financial Statements

1. Accounting principles applied

1.1 Basis of presentation

These financial statements relate to the six month period from 1 January 2005 to 30 June 2005 which is a part of the period covered by the Group's first financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002.

The financial statements are presented in Euro, rounded to the nearest thousand unless otherwise indicated.

The financial statements are prepared on the historical cost basis except for the following assets and liabilities:

- Securities held for trading
- Derivative financial instruments
- Available-for-sale investments

The Group has prepared these financial statements in accordance with International Financial Reporting Standards. In particular the Group applied IAS 34 "Interim Financial Reporting" and IFRS 1 "First-time Adoption of International Financial Reporting Standards", and all the standards and interpretations adopted by the European Union which are mandatory for the preparation of financial statements for periods that begin after 1 January 2005. These financial statements have been prepared applying the same accounting principles as described in the published financial statements as at 31 March 2005, except for the matter described in note 1.2.

Set out below are the standards and interpretations that are included in the regulations of the European Commission 1725/2003, 707/2004, 2086/2004, 2236/2004, 2237/2004, 2238/2004 and 211/2005:

- International Accounting Standards 1, 2, 7, 8, 10, 11, 12, 14, 16-21, 23, 24, 26, 27-34, 36-41.
- International Financial Reporting Standards 1-5.
- Interpretation International Financial Reporting Standard 1.
- Interpretation International Accounting Standards 7, 10, 12, 13, 15, 21, 25, 27, 29, 31, 32.

The adoption of the above standards and interpretations cover all the periods presented in the financial statements except for IFRS 5 which has been adopted from 1 January 2005 in accordance with the exception set out in IFRS 1.

The adoption by the European Union, by 31 December 2005, of new standards or interpretations issued by the International Accounting Standards Board (IASB) and their mandatory or voluntary adoption after 1 January 2005, may retrospectively affect the period that the financial statements present.

An explanation of the impact of the transition to IFRS on the financial position and the comparative figures, previously reported in accordance with Greek generally accepted accounting principles (Greek GAAP), is included in note 48. This note provides reconciliations between Greek GAAP and IFRS of the balance sheet, equity and income statement.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions. Actual results may differ from these estimates.

1.2 Change in Accounting Policies

Leases

For finance leases where the Group is the lessor, unearned finance income is deducted from the total amount of lease payments, and is classified in loans and advances to customers, instead of other liabilities as previously reported in the 31 March 2005 interim IFRS financial statements.

The financial statements of comparative periods, and those published on 31 March 2005, were restated in accordance with the reclassification of finance leases as described above. For additional information refer to note 47.

1.3 Basis of consolidation

The consolidated financial statements include the parent company Alpha Bank, its subsidiaries, associates and joint ventures.

a. Subsidiaries

   Subsidiaries are entities controlled, directly or indirectly, by the Bank. The financial statements of subsidiaries are included in the consolidated financial statements from that date that control commences until the date that control ceases.

   The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. When the cost of acquisition exceeds the fair value of the Group's share of the identifiable net assets acquired the excess is recorded as goodwill, which is tested for impairment annually. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

   Intercompany transactions are eliminated unless the transaction provides evidence of impairment of the asset transferred and it is recognized in the consolidated balance sheet.
   Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b. Associates

   Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding, directly or indirectly, of between 20% and 50% of the voting rights.

   Investments in associates are accounted for by the equity method of accounting.

   The Group's share of the associates post-acquisition profits or losses is recognized in the income statement.

   Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

c. Joint ventures

   According to IAS 31, joint ventures are those entities over whose activities, the Group has joint control, established by contractual agreement whereby two or more parties undertake an economic activity.

The consolidated financial statements include the Group's share of the joint venture under the proportionate consolidation method.

Details of the entities and the Group's ownership interest of subsidiaries is provided in note 39, and for joint ventures in note 18.

1.4 Segment reporting

The Group after taking into account the present management and reporting structure, and that the majority of its income arises from activities in Greece decided that:

a. the primary reporting format are the following business segments:
   - Retail
   - Corporate
   - Asset Management and Insurance
   - Investment Banking and Treasury
   - South Eastern Europe
   - Other

b. the geographical segments are the secondary reporting format:
   - Greece
   - Other Countries

Detailed information relating to business and geographical segments are presented in note 40.

1.5 Foreign currency transactions

The consolidated financial statements are presented in Euro, which is the currency of the country of incorporation of the Bank (functional currency). Items included in the financial statements of each of the Group's companies are measured using the currency of the country of incorporation or the currency of the primary economic environment in which the company operates or the currency used for the majority of transactions held.

Transactions in foreign currencies are translated to Euro at the closing exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euro at the closing exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at initial recognition, except for those non-monetary items denominated in foreign currencies that are stated at fair value. The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in shareholders' equity depending on the classification of the non-monetary item.

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated to Euro at the closing rate at the date of that balance sheet.

(b) Income and expenses for each income statement are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange differences from the above translation and those arising from other monitory items designated as a part of the net investment in the entity are taken to equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

1.6 Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents consists of:

a. Cash on hand.
b. Non-restricted placements with Central banks.
c. Short-term balances due from banks.

Short-term balances due from banks are amounts that mature within three months after the date of the financial statements.

1.7 Classification and measurement of financial assets

The Group classifies its financial assets in the following categories:

- Loans and receivables.
- Held–to-maturity investments.
- Financial assets at fair value through profit or loss.
- Available-for-sale financial assets.

For each of the above classifications the following is applicable:

a) Loans and receivables

Included in this category are:

i. Direct loans to customers
ii. Amounts paid for a portion or total acquisition of bonds issued by customers
iii. All receivables from customers, Banks etc.

Loans and receivables are carried at amortized cost.

b) Held–to-maturity

Held–to-maturity investments are financial assets that the Group has the positive intention and ability to hold to maturity.

This category is carried at amortized cost. The Group has not included any financial assets in this category.

c) Financial assets at fair value through profit or loss.

Financial assets included in this category are those:

i. That are acquired principally for the purpose of selling in the short term and in order to exploit short term market fluctuations (trading portfolio). The Group has included in this category fixed rate Government bonds, treasury bills and a limited number of shares.
ii. The Group may decide, at initial recognition, to recognize changes in fair value in the income statement. The Group has not included items in this category.

d) Available-for-sale

Available-for-sale financial assets are investments that have not been classified in any of the previous categories.

The Group has included in this category:

i. Variable interest rate bonds
ii. Fixed rate bonds, except those issued by the Greek State
iii. Shares
iv. Mutual fund units.

The measurement principles noted above are not applicable when a particular financial asset is a hedged item, in which case the principles set out in note 1.8 are followed.

1.8 Derivative financial instruments and hedge accounting

Derivatives are financial instruments that upon inception have a small or zero value and subsequently change in accordance with a particular underlying instrument (foreign exchange, interest rates, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been entered into.

The Group's activities involve the use of derivatives as a means of exercising asset-liability management within the guidelines established by the Asset-Liability Committee (ALCO).
When the Group uses derivatives for hedging purposes it ensures that appropriate documentation exists on inception of the transaction, and that the effectiveness of the hedge is monitored on an ongoing basis and the above are repeated at each balance sheet date.

In addition the Group uses derivatives for trading purposes to exploit short-term market fluctuations, within the Group risk level set by the Asset-Liability Committee (ALCO). Valuation differences arising from these derivatives are recognized in gains less losses on financial transactions

We emphasize the following:

a. Synthetic Swaps

The parent company (ALPHA BANK), in order to increase the return on deposits to selective customers uses synthetic swaps. This involves the conversion of a Euro deposit to JPY with a simultaneous forward purchase of JPY to cover the foreign exchange exposure.
The result arising from the forward foreign exchange is recognized as interest expense, foreign exchange differences and gains less losses on financial transactions.

b. FX Swaps

These types of Swaps are entered into primarily to hedge the exposures arising from customer loans and deposits. As there is no documentation to support hedge accounting they are accounted for as trading instruments. The result arising from these derivatives is recognized as interest expense, foreign exchange differences, in order to match with the interest element resulting from the deposits and loans, and gains less losses on financial transactions.

Hedge accounting

Hedge accounting relates to the valuation rules to offset the effects on the gain or loss from changes in the fair value of a hedging instrument and a hedged item which would not be achieved if the normal remeasurement principles were followed.

Documentation of the hedge relationship upon inception and of the effectiveness of the hedge on a on-going basis are the basic requirements for the adoption of hedge accounting.

Fair value hedge

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged.

Changes in the fair value of both the hedging instrument and the hedged item in respect of the risk being hedged are recognized in the income statement.

The Group uses interest rate swaps (IRSs) to hedge risks relating to borrowings, bonds, loans and fixed rate term deposits.

Cash flow hedge

A cash flow hedge changes the cash flows of a financial instrument from a variable rate to a fixed rate.

The effective part of any gain or loss on the hedging instrument is recognized directly in equity, whereas the ineffective part is recognized in the income statement. The accounting treatment of the hedged item does not change.

There were no instances that would require cash flow hedge accounting.

Hedges of net investment in a foreign operation

It is applied to hedge the foreign exchange risk, arising from investments in foreign operations.

1.9 Property, plant and equipment

This caption includes: land; buildings (owned and leased) for use by the branches or for administrative purposes; additions and improvements of leased fixed assets; and equipment. Property, plant and equipment are stated at cost less accumulated depreciation. The historical cost includes costs relating to the acquisition of property and equipment.

Subsequent expenditure is capitalized or recognized as a separate asset only when it increases the future economic benefits. Expenditure on repairs and maintenance is recognized in the income statement as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment taking into account residual values.

The estimated useful lives are as follows:

- Buildings: 20 to 33 years.
- Additions to leased fixed assets and improvements: over the term of the lease.
- Equipment: 4 to 20 years.

Land is not depreciated, however, it is reviewed periodically for impairment.
The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.
Property and equipment which is considered impaired is carried at its recoverable amount. Gains and losses from the sale of property and equipment are recognized in the income statement.

1.10 Investment property

The Group includes in this category buildings or a portion of buildings together with the respective portion of the land that is held to earn rental income.

Investment property is initially recognized at cost, which includes all related acquisition costs. Subsequent to initial recognition investment property is stated at cost less accumulated depreciation and impairment losses.

All costs for repairs and maintenance are recognized in the income statement as incurred incurred.

The estimated useful lives over which depreciation is charged are the same as own-used property.

1.11 Goodwill and other intangible assets

- *Goodwill*

  Goodwill represents the difference between the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition.

  Goodwill arising from acquisitions after 1/1/2004 is recorded to "Goodwill and other intangible assets". Goodwill on acquisitions of associates is included in "Investment in associates".

  At the end of each year recognized goodwill is tested for impairment.

  Negative goodwill is recognized in the income statement.

- *Other intangible assets*

  The Group has included in this caption only software, which is carried at cost less amortization. Amortization is charged over the estimated useful life, which the Group has estimated is three years. For intangible assets no residual value is estimated. Expenditure incurred to maintain the software programs is recognized in the income statement as incurred.

1.12 Leases

The Group enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases. All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

a) When the Group is the lessor

   i. Finance leases:

   For finance leases where the Group is the lessor the aggregate amount of lease payments is recognized as loans and advances.

   The difference between the present value (net investment) of lease payments, and the aggregate amount of lease payments, is recognized as unearned finance income and is deducted from loans and advances.

   The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

   The finance lease loans are subject to the same impairment testing as applied to customer loans and advances as described in note 1.14.

   ii. Operating leases:

   When the Group is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized on an accrual basis.

b) When the Group is the lessee

   i. Finance leases:

   For finance leases, where the Group is the lessee, the leased asset is recognized as own-used property, plant and equipment or as investment property and a respective liability is recognized in other liabilities. At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments.

   The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or if this is not available the Group's borrowing rate for similar financing.

   Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life and the Group is not expected to obtain ownership by the end of the lease, in which case the asset is depreciated over the term of the lease.

   The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

   ii. Operating leases:

   For operating leases, the Group as a lessee does not recognize the leased asset but charges in general administrative expenses, the lease payments on an accrual basis.

1.13 Insurance activities

a. Insurance reserves

The insurance reserves are the current estimates of future cash flows arising from insurance life and non-life contracts.

The reserves consist of:

i. Mathematical reserves

The insurance reserves for the term life contracts (e.g. term, comprehension, investment) are calculated on actuarial principles using the present value of future liabilities less the present value of premiums to be received. The calculations are based on technical assumptions (mortality tables, interest rates) in accordance with the respective supervisory authorities on the date the contract was signed.
If the carrying amount of the insurance reserves is inadequate, the entire deficiency is provided for.

ii. Unearned premiums reserves

Represent part of net premiums earned which cover proportionally the period from the balance sheet date to the termination of the period the net premium covers.

iii. Outstanding claims reserves

Concern liabilities on claims occurred and reported but not yet paid at the balance sheet date. These claims are determined on a case-by-case basis based on existing information (loss adjustors' reports, doctors reports, court decisions etc) at the balance sheet date. Provisions are also determined for claims incurred but not reported at the balance sheet date (IBNR), the calculation of these provisions is based on the estimated average cost of claim.

iv. Reserves for investments held on behalf and at risk of life insurance policy holders

These reserves are accounted for at the current value of the associated investments.

b. Revenue recognition

Revenues from life and non-life insurance contracts are recognized when they become payable.

c. Reinsurance

The reinsurance premiums ceded and the respective ceded portion of the insurance reserves follow the terms of the relevant reinsurance agreements.

d. Distinction of insurance products

In accordance with IFRS 4 contracts that do not transfer significant insurance risk are characterized as investment and/or service contracts, and their accounting treatment is covered by IAS 32 and IAS 39 for financial instruments and IAS 18 for revenue.

Based on the above the following were separated from insurance services:

a) The individual unit linked contracts with zero insured capital.
b) Equity group contracts under unit-linked management.
c) Group pension fund services provided for which the Company acts as intermediate (motor assistance and accident care).

e. Liability adequacy test

In accordance with IFRS 4 an insurer shall assess at each reporting date whether its recognized insurance reserves are adequate (less deferred acquisition costs and related intangible assets) to cover the risk arising from the insurance contracts. If that assessment shows that the carrying amount of its insurance reserves is inadequate the entire deficiency is recognized in profit or loss.

The methodology applied for life insurance was based on current estimates of all future cash flows, from insurance contracts and of related handling costs. These estimates were based on assumptions representing current market conditions and regarding mortality cancellations, future changes and allocation of administrative expenses, medical inflation relating to medical changes and the discount rate. The guaranteed return included in certain insurance contracts has also been taken into account in estimating cash flows.

For the liability adequacy test of claims reserves the triangulation method (chain-ladder/link ratio) was used which is based on the assumption that the proportional relation occurred in past years between the amounts of cumulative claims (paid and outstanding) will be repeated in the future. Data of the last five years were used for the calculation of the relevant test.

1.14 Impairment losses on loans and advances

The Group has assessed as at 31.12.2003, and at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically the steps performed were the following:

a. Establishment of events that provide objective evidence that a loan is impaired (trigger events).

The loans and advances with payment of interest or principal overdue by more than 90 days represents the majority of the loans which were tested for impairment.

In addition an impairment test may be performed for accounts with delays less than 90 days, or accounts with no delay when:

i. procedures for forced recovery have initiated
ii. the Group has information that indicates that the financial position of the borrower is deteriorating (reduced sales, gross margins, profit etc.) or other events (bankruptcy filing, extra-ordinary events such as floods, fire, etc at the installations of the borrower) which occurred after the date of initial recognition and which are considered to affect the ability of the borrower to adhere to the agreed repayment schedule.

Finally, an impairment test is performed on loans and advances granted to sectors of the economy or geographical regions which are experiencing problems that arose after the date of initial recognition of the loans.

b. The criteria for assessment on an individual or collective basis.

The outstanding balance is the basic factor in determining whether the assessment of impairment will be performed on an individual basis or on a collective basis.

In determining the amount for each entity of the Group numerous factors were considered such as the composition of the loan portfolio the specific circumstances of the market and experience obtained from the management of the portfolio.

More specifically for the Group's parent company Alpha Bank the separation point is the amount of € 1 million.

c. Establishment of groups of assets with similar risk characteristics

In those instances which based on the amount outstanding the assessment of impairment was performed on a collective basis of assets with similar risk characteristics, with respect to credit risk, the collective groups were determined as follows:

i. the borrowers' industry (construction, tourism etc.) for commercial loans.
ii. the type of loan (consumer, credit cards, mortgage etc.) for retail loans.

Based on detailed internal data the above groups are either expanded or combined in the event that this is justified from the historical data.

d. Methodology in determining future cash flows from impaired loans

The Group has accumulated a significant amount of historical data of the last five years, which includes the loss given default for loans after the completion of forced recovery, or other measures, of loans, including the realization of all collaterals held.

On the basis of this data the amount of the impairment is determined on both an individual and collective basis taking into account the time value of money.

The cash flows are discounted at the loans' original effective interest rate.

e. Interest income recognition

Interest income on impaired loans is recognized based on the carrying value of the loan after the impairment at the original effective interest rate.

f. Impairment recognition

The Group write-offs impaired loans, with exceptions to a small number of accounts with large outstandings were an allowance account is established.

g. Recoveries

If in a subsequent period events occur after the impairment which results in a decrease in the impairment or the collection of amounts from loans and advances previously written-off, the recoveries are recognized in the income statement.

1.15 Deferred taxation

Deferred taxation is the tax that will be paid or for which relief will be obtained in the future resulting from the different period that certain items are recognized for financial reporting and tax purposes.

Deferred tax is provided for temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are provided based on the expected manner of realization or settlement using tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, taking into consideration the enacted tax rates at balance sheet date.

Current and deferred tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity in which case it is recognized in equity.

1.16 Non-current assets held for sale

Consists of property and machinery that the Group obtained from foreclosures, which are held for sale.

Certain items of property are at present leased to third parties, but these lease agreements were entered into before the Group obtained possession of the property.

Assets held for sale are valued at the lower between the carrying amount and the fair value less cost to sell.

Property in this category are not depreciated, however, they are reviewed for impairment at each reporting date.

Gains or losses from the sale of these assets are recognized in the income statement.

1.17 Financial liabilities

Financial liabilities may be classified as held for trading:

i. when the financial liability is acquired or repurchased in the short term to take advantage of short-term market fluctuations.

ii. they are derivatives which are not used for hedging purposes.

Financial liabilities are initially recognized and remeasured at fair value, with changes in fair value recognized in the income statement.

The Group has included in this category derivatives which are not used for hedging purposes.

The liabilities from derivatives which are used for hedging purposes are measured at fair value. Changes in fair value are accounted for as set out in note 1.8.

The liabilities which are not classified in the above category are measured at amortized cost using the effective interest method. Liabilities to credit institutions and customers debt issued and other loan liabilities are classified in this category.

1.18 Employee benefits

The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the Group.

A defined contribution plan is where the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets together with adjustments for unrecognized actuarial gains or losses and past service costs.

The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

The present value of the defined benefit is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes, and actuarial assumption variations to the extent that they exceed 10 per cent of the greater of the accrued obligations and the fair value of plan assets are amortized in a period equal to the average remaining working lives of the employees.
Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In the second case, the past service costs are amortized on a straight line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans, to insurance companies and other funds on a mandatory or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.19 Share options granted to employees

The Group rewards the performance of its executives and managers by granting share options. The share options are exercised after the expiration of three years from the grant date.

The fair value is recognized over the period from the grant date and exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options upon the exercise date increases the share capital of the Group.

1.20 Provisions

A provision is recognized when (a) the Group has a constructive or legal obligation as a result of a past event (b) it is probable that an outflow of economic benefits will be required to settle the obligation and (c) the amount has been reliably estimated. Provisions are measured by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. Cash payments are recorded to provisions to the extent that they relate to the specific provision. At each reporting period provisions are re-assessed.

Provisions are not recognized for future operating losses. However, future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur. Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The expense recognized in the income statement relating to the provision may be presented net of the amount of the reimbursement.

1.21 Sale and repurchase agreements

The Group enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognized.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest on an accrual basis.

Securities that are sold under agreements to repurchase continue to be recognized in the balance sheet and are measured in accordance with accounting policy of the category that they have been classified and are presented as investments. The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest.

Securities borrowed under securities borrowing agreements are not recognized except when they have been sold to third parties whereby the gain on the sale is recognized in the income statement and the liability to deliver the security is recognized at fair value.

1.22 Equity

Incremental costs of share capital increase

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

Share premium

The issuance of shares as consideration for the acquisition of a business are shown at their market value. The difference between the nominal value of the shares issued and their market value is recorded as share premium.

Employee share options

The fair value of share options granted to the Group's management is recorded to equity and to the income statement, respectively. Upon the exercising of the share options the amount received from the beneficiaries is recorded as share capital.

Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, is recognized directly in retained earnings.

Retained earnings

When the Group's ownership interest in a subsidiary increases as a result of an acquisition, the difference between the consideration paid and the share of net assets acquired is recognized directly to retained earnings.

Sales of ownership interests in subsidiaries that do not result in a loss of control for the Group, is considered as a transaction between related Group equity parties and the gain or loss arising from the sale is recognized directly to retained earnings.

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the General Meeting of the shareholders.

1.23 Interest income and expense

Interest income and expense are recognized in the income statement for all instruments measured at amortized cost.

The recognition of interest income and expense is performed on the accrual basis using the effective interest method.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, in order the present value of the future cash flows to be equal to the carrying amount of the financial instrument including fees or transaction costs.

Interest on financial assets that are impaired is determined on the balance after the impairment provision using the effective interest rate.

Interest income and expense is also recognized for interest bearing financial instruments classified to the trading portfolio.

1.24 Fee and commission income

Fee and commission income are recognized on a accrual basis when the relevant service has been provided.

Transaction revenues relating to the recognition of a financial instrument which measured at amortized cost, such as loans and advances, are capitalized and recognized in the income statement using the effective interest method.

1.25 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

1.26 Notes relating to the interim financial statements

The results and activities of the Group are not subject to seasonal fluctuations, except for revenue from hotel activities, which are included in other income and specifically from Hilton Rhodes which are recognized as incurred.

The allocation of expenses incurred in the interim financial statements is performed on a basis consistent in the preparation of the year end financial statements.

Dividend income is recognized in the income statement at the date dividends are approved by the Shareholders in general meeting of the companies that the Group participates.

Current income tax expense is recognized in these interim financial statements based on management's best estimate of the weighted average annual income tax rate excepted to be applicable at year end.

Income statement

2. Net interest income

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Interest and similar income				
Banks	73,196	60,217	34,027	21,901
Investment Securities	44,079	41,018	23,578	24,919
Loans and advances to customers	716,783	617,702	370,499	315,107
Other	28,363	23,659	18,669	17,029
	862,421	742,596	446,773	378,956
Interest expense and similar charges				
Banks	34,747	18,648	20,706	8,158
Customers	121,028	102,516	60,448	51,401
Debt securities in issue and other borrowed funds	89,293	50,765	47,781	29,533
Other	34,526	58,260	15,380	27,207
	279,594	230,189	144,315	116,299

3. Net fee and commission income

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Fee and commission income				
Loans	23,941	26,269	12,308	12,924
Letters of guarantee	16,977	18,842	8,506	9,328
Imports-Exports	9,507	10,927	4,782	5,598
Credit Cards	26,752	24,925	14,971	13,614
Fund transfers	39,514	40,143	21,183	21,852
Mutual Funds	24,529	22,282	12,686	11,067
Management and advisory fees	5,895	6,940	3,159	2,023
Other	27,112	24,743	12,464	11,217
Total	174,227	175,071	90,059	87,623
Fee and commission expense				
Credit Cards	7,202	5,938	3,747	3,476
Loans	531	437	248	200
Other	3,120	2,978	1,934	1,600
Total	10,853	9,353	5,929	5,276

4. Dividend income

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Available-for-sale-securities	2,516	1,277	2,385	1,217
Total	2,516	1,277	2,385	1,217

5. Gains less losses on financial transactions

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Foreign exchange differences	7,589	12,586	4,031	6,477
Securities held for trading	(5,053)	(9,159)	(5,374)	(46,134)
Available-for-sale securities	105	42,036	(4,147)	43,440
Other financial instruments	1,213	3,375	(5,124)	(4,365)
Other	717	37	318	(199)
Total	4,571	48,875	(10,296)	(781)

6. Other income

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Insurance activities	15,386	15,215	6,270	10,838
Hotel activities	19,402	19,253	11,598	12,208
Operating lease income	1,621	1,016	950	393
Sale of property, plant and equipment	785	59	387	59
Tax discount	1,901	2,791	1,899	2,791
Goodwill from merger with Delta Singular A.E. (note 45)	7,695	-	7,695	-
Other	9,462	3,466	6,597	1,961
Total	56,252	41,800	35,396	28,250

Income from insurance activities is analysed as follows:

	30.6.2005	30.6.2004
Non-life Insurance		
Premiums and other related income	46,452	42,539
Less:		
Reinsurance premiums ceded	19,368	20,356
Commissions	2,490	1,584
Claims from policyholders	19,711	18,304
Reinsurers' participation	7,838	8,079
Net income from non-life insurance	12,721	10,374
Life Insurance		
Premiums and other related income	31,513	26,652
Less:		
Reinsurance premiums ceded	1,641	1,578
Commissions	4,747	3,591
Claims from policyholders	22,848	17,487
Reinsurers' participation	388	845
Net income from life insurance	2,665	4,841
Total	15,386	15,215

7. Staff costs

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Wages and Salaries	145,549	130,947	73,579	62,464
Social Security contributions	37,596	37,448	17,401	18,689
Expenses of defined benefit plans (note 29)	25,488	23,575	12,597	11,438
Other	16,653	14,573	9,646	9,193
Total	225,286	206,543	113,223	101,784

8. General administrative expenses

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Rent of buildings	12,342	11,555	6,305	5,772
Rent and maintenance of EDP equipment	9,643	9,298	4,756	3,443
EDP expenses	14,904	14,167	7,650	8,383
Marketing and advertisement expenses	12,196	13,557	7,773	8,819
Telecommunications and postage	11,470	11,804	6,234	5,783
Third party fees	12,619	11,285	7,284	6,272
Consultants fees	3,876	2,669	2,083	1,707
Contribution to Savings Deposits Fund	5,684	4,415	3,052	2,406
Insurance	5,981	5,798	2,868	3,302
Consumables	2,582	2,733	1,378	914
Electricity	3,208	2,979	1,689	1,564
Donations	1,254	349	356	145
Olympic Games sponsorship	-	42,116	-	21,058
Other general administrative expenses	34,958	36,116	17,219	13,203
Taxes	15,945	14,383	8,194	7,315
Total	146,662	183,224	76,841	90,086

9. Impairment losses on loans and advances

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Customer loans and advances	127,812	106,672	61,792	54,186
Insurance activities (included in "Other assets")	620	1,000	320	500
Recoveries	(4,216)	(1,649)	(3,227)	(1,089)
Total	124,216	106,023	58,885	53,597

10. Income tax

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Current tax	48,714	78,131	22,442	35,419
Deferred tax	7,027	(4,017)	3,515	1,179
Total	55,741	74,114	25,957	36,598

Deferred tax recognized in the income statement is attributable to the following temporary differences:

	30.6.2005	30.6.2004
Intangibles write-off	5,179	(4,829)
Impairment on loans	(966)	(462)
Fees and expenses relating to the acquisition of financial instruments	851	(1,248)
Employee defined benefit obligations	343	2,707
Valuation on derivatives financial instruments	(1,079)	(849)
Valuation on hedged instruments	1,012	1,077
Carry forward tax losses	(472)	(355)
Other temporary differences	2,159	(58)
Total	7,027	(4,017)

11. Earnings per share

Basic earnings per share:

Basic earnings per share is calculated by dividing the profit after tax for the period attributable to the equity holders of the Bank by the weighted average number of ordinary shares outstanding, after deducting treasury shares held, during the period.

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Profit attributable to shareholders of the Bank (€ thousands)	223,319	208,302	122,132	114,365
Weighted average number of outstanding ordinary shares	286,030,494	283,529,856	289,411,483	283,529,856
Basic earnings per share (in € per share)	0.78	0.73	0.42	0.40

Diluted earnings per share:

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Bank has a single category of dilutive potential ordinary shares resulting from a share options plan. For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. The weighted average number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	From 1 January to		From 1 April to	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
Profit attributable to shareholders of the Bank (€ thousands)	223,319	208,302	122,132	114,365
Weighted average number of outstanding ordinary shares	286,030,494	283,529,856	289,411,483	283,529,856
Adjustment for share options	381,920	303,841	411,622	303,841
Weighted average number of outstanding ordinary shares for diluted earnings per share	286,412,414	283,833,697	289,823,105	283,833,697
Diluted earnings per share (in € per share)	0.78	0.73	0.42	0.40

Assets

12. Cash and Balances with Central Banks

	30.6.2005	31.12.2004
Cash	312,134	260,646
Cheques receivable	68,043	50,044
Balances with Central Banks	1,016,181	1,444,659
Total	1,396,358	1,755,349
Sale and repurchase agreements (Reverse Repos)	5,583,539	4,354,406
Short-term placements with other banks	3,442,508	327,323
Cash and cash equivalents (as presented for the purposes of the cash flow statement)	10,422,405	6,437,078

13. Due from banks

	30.6.2005	31.12.2004
Placements with other banks	3,989,080	868,418
Sale and repurchase agreements (Reverse Repos)	5,583,539	4,354,406
Less: Provisions for impairment losses	(8,510)	-
Total	9,564,109	5,222,824

14. Securities held for trading

	30.6.2005	31.12.2004
Government bonds	327,305	104,774
Other debt securities	*34,365*	*56,004*
- Listed	30,679	53,067
- Non-listed	3,686	2,937
Shares:	*1,424*	*1,324*
- Listed	1,424	1,324
Total	363,094	162,102

15. Derivatives

	30 June 2005		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign Exchange Derivatives			
Currency forwards	518,024	4,657	9,146
Currency swaps	2,562,131	26,463	3,358
Cross currency swaps	615,598	67,190	65,892
Currency options	786,301	6,081	4,995
Currency options embedded in retail products	7,836	58	-
Total non-listed	4,489,890	104,449	83,391
b. Interest rate derivatives			
Interest rate swaps	3,927,183	67,733	66,942
Interest rate options	28,194	14	14
Total non-listed	3,955,377	65,747	66,956
Futures	897,805	2	163
Options	195,000	-	154
Total listed	1,092,805	2	317
c. Index derivatives			
Index futures	4,790	5,645	5,770
Options	35,261	111	-
Total non-listed	40,051	5,756	5,770
d. Commodity derivatives			
Options	4,011	91	-
Total listed	4,011	91	-
Derivatives for hedging			
a. Foreign exchange derivatives			
Cross currency swaps	217,786	-	1,954
Total non-listed	217,786	-	1,954
b. Interest rate derivatives			
Interest rate swaps	405,520	6,498	2,628
Total non-listed	405,520	6,498	2,628
Grand Total	10,205,440	182,543	161,016

	31 December 2004		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	1,372,389	9,956	17,827
Currency swaps	1,792,663	24,804	66,883
Cross currency swaps	609,317	100,000	100,418
Currency options	979,369	5,133	5,606
Currency options embedded in retail products	17,277	34	22
Total non-listed	4,771,015	139,927	190,756
b. Interest rate derivatives			
Interest rate swaps	1,993,613	30,179	35,816
Interest rate options	26,886	38	38
Total non-listed	2,020,499	30,217	35,854
Futures	74,416	-	42
Total listed	74,416	-	42
c. Index futures			
Option embedded in retail products	341	-	64
Total non-listed	341	-	64
Futures	1,953	-	1
Total listed	1,953	-	1
Derivatives for hedging			
a. Foreign exchange derivatives			
Cross currency swaps	1,933	-	605
Total non-listed	1,933	-	605
b. Interest rate derivatives			
Interest rate swaps	229,674	1,489	1,623
Total non-listed	229,674	1,489	1,623
Grand total	7,099,831	171,633	228,945

16. Loans and advances to customers

	30.6.2005	31.12.2004
Individuals:		
Housing	5,829,416	4,934,764
Consumer	1,682,105	1,475,120
Credit cards	938,895	795,935
Other loans	165,374	206,182
Other receivables	25,308	15,071
Companies:		
Overdrafts	6,345,477	6,054,903
Term loans	9,512,034	8,854,089
Leasing	698,065	645,162
Other loans	24,045	25,187
Other receivables	74,238	27,103
	25,294,957	23,033,516
Less: Allowance for impairment losses	(933,926)	(753,271)
Total	24,361,031	22,280,245

Allowance for impairment losses

Balance 1.1.2004	525,660
Exchange differences	4,495
Impairment losses for the period (note 9)	106,672
Loans written-off during the period	(2,215)
Balance 30.6.2004	634,612
Exchange differences	11,131
Impairment losses for the period	118,625
Loans written-off during the period	(11,097)
Balance 31.12.2004	753,271
Allowances from Jubanka acquisition	59,654
Allowances from merger with Delta Singular A.E.	7,566
Exchange differences	530
Impairment losses for the period (note 9)	127,812
Loans written-off during the period	(14,907)
Balance 30.6.2005	933,926

17. Investment securities

Available-for-sale

	30.6.2005	31.12.2004
Government bonds	1,577,919	1,000,800
Other debt securities:	*798,536*	*805,414*
- Listed	798,536	791,741
- Non-listed	-	13,673
Shares:	*63,355*	*75,996*
- Listed	50,966	60,409
- Non-listed	12,389	15,587
Other variable yield securities	108,696	91,384
Total	2,548,506	1,973,594

18. Investment in associates

	1.1-30.6.2005	1.7-31.12.2004	1.1-30.6.2004
Opening balance	107,363	108,479	69,828
Purchases	767	68	136
Dividends received	-	(127)	-
Merger with Delta Singular A.E.	(96,517)	-	-
Impairment	(217)	-	-
Share of profit/ (loss)	110	(1,057)	38,515
Closing balance	11,506	107,363	108,479

During the six month period to 30.6.2005 the carrying amount of the Group's investment in GAIOGNOMON A.E. was written down by an amount of € 217 as the entity has entered into liquidation procedures and the carrying value was higher than the recoverable amount.

The Group's investments in associates is as follows:

Name		Country of incorporation	Ownership interest % 30.6.2005	30.6.2004
1.	Lesvos Tourist Company A.E.	Greece	24.99	24.99
2.	Evisak A.E.	Greece	27.00	27.00
3.	Icap A.E.	Greece	26.96	26.96
4.	Delta Singular A.E.*	Greece	-	38.76
5.	Gaiognomon A.E.	Greece	20.00	20.00
6.	Propindex A.E.**	Greece	13.62	15.56
7.	Micrel A.E.	Greece	21.03	21.03
8.	AEDEP Thessalias & Stereas Ellados ***	Greece	50.00	50.00
9.	A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
10.	Geosynthesis A.E.****	Greece	20.00	-

* The Company was merged with the Bank at 8 April 2005 (note 45).
** Alpha Astika Akinita A.E., a subsidiary, holds ownership interest 22.58%.
*** The entity is a non-profit organization.
**** Geosynthesis A.E. was acquired by the bank from the merger with Delta Singular A.E.

The Group's share of the profit/(loss) of each associate is as follows (the amounts are expressed in thousands of Euro):

	Name	Equity (in thousands €)	Profit/ (loss) after tax	Total (in thousands €)	Share of profits/ (losses) 30.6.2005	Impairment	Total profit/ (losses) 30.6.2005
1.	Lesvos Tourist Company A.E.	2,630	(126)	2,504	(31)	-	(31)
2.	Evisak A.E.	2,739	126	2,865	34	-	34
3.	Icap A.E.	18,322	888	19,210	239	-	239
4.	Gaiognomon A.E.	1,842	(57)	1,785	(12)	(217)	(229)
5.	Propindex A.E.	73	(2)	71	-	-	-
6.	Micrel A.E.	683	(129)	554	-	-	-
7.	AEDEP Thessallias & Stereas Ellados	147	-	147	-	-	-
8.	A.L.C. Novelle Investments Ltd	16,678	(359)	16,319	(120)	-	(120)
9.	Geosynthesis A.E.	84	(15)	69	-	-	-
	Total	43,198	326	43,524	110	(217)	(107)
10.	Delta Singular A.E.	-	-	-	(1,042)	-	(1,042)
	Grand total	43,198	326	43,524	(932)	(217)	(1,149)

As at 31.12.2003 the carrying amounts of EVISAK A.E. and MICREL A.E, were written off by € 1,589 to recognize an impairment as the recoverable amount was determined to be less than the carrying amount. The recoverable amount of the above companies is € 1.

Geosynthesis A.E. is carried to its recoverable amount which is € 1.

19. Investment property

	Land and buildings
Balance 1.1.2004	
Cost	33,589
Accumulated Depreciation	(2,795)
Net Book Value 1.1.2004	30,794
1.1.2004-30.6.2004	
Net Book Value 1.1.2004	30,794
Additions	7
Disposals	(2,042)
a) Cost	2,174
b) Fully depreciated	132
Reclassification from property, plant and equipment	6,675
Depreciation charge for the period	(197)
Net Book Value 30.6.2004	35,237
Balance 30.6.2004	
Cost	39,644
Accumulated Depreciation	(4,407)
1.7.2004-31.12.2004	
Net Book Value 1.7.2004	35,237
Additions	76
Disposals	(800)
a) Cost	837
b) Fully depreciated	37
Reclassification to property, plant and equipment	(7,006)
Depreciation charge for the period	(148)
Net Book Value 31.12.2004	27,359
Balance 31.12.2004	
Cost	30,309
Accumulated depreciation	(2,950)
1.1.2005-30.6.2005	
Net Book Value 1.1.2005	27,359
Additions	56
Additions from merger with Delta Singular A.E. (net book value)	33,606
Additions from companies consolidated for first time (net book value)	467
Foreign exchange differences	6
Reclassification from property, plant and equipment	2,501
Depreciation charge for the period	(352)
Net Book Value 30.6.2005	63,643
Balance 30.6.2005	
Cost	70,778
Accumulated depreciation	(7,135)

20. Property, plant and equipment

	Land and Buildings	Leased equipment	Equipment	Total
Balance 01.01.2004				
Cost	1,039,429	10,002	288,357	1,337,788
Accumulated Depreciation	(182,229)	(8,312)	(219,841)	(410,382)
Net Book Value at 1.1.2004	857,200	1,690	68,516	927,406
1.1.2004-30.6.2004				
Net Book Value 1.1.2004	857,200	1,690	68,516	927,406
Additions	10,711	15	8,058	18,784
Foreign exchange differences	162	-	(81)	81
Disposals	(353)	-	(188)	(541)
a) Cost	964	-	2,113	3,077
b) Fully depreciated	611	-	1,925	2,536
Reclassification to investment property	(6,675)	-	-	(6,675)
Depreciation charge for the period	(9,457)	(89)	(11,846)	(21,392)
Net Book Value 30.6.2004	851,588	1,616	64,459	917,663
Balance 30.6.2004				
Cost	1,041,120	10,017	294,355	1,345,492
Accumulated Depreciation	(189,532)	(8,401)	(229,896)	(427,829)
1.7.2004-31.12.2004				
Net Book Value 1.7.2004	851,588	1,616	64,459	917,663
Additions	27,407	211	10,342	37,960
Foreign exchange differences	241	5	134	380
Disposals	(23,881)	-	(1,094)	(24,975)
a) Cost	27,413	-	3,824	31,237
b) Fully depreciated	3,532	-	2,730	6,262
Reclassification from investment property	7,006	-	-	7,006
Transfers	-	(21)	21	-
Depreciation charge for the period	(10,019)	(291)	(10,957)	(21,267)
Net Book Value 31.12.2004	852,342	1,520	62,905	916,767
Balance 31.12.2004				
Cost	1,050,081	10,219	301,509	1,361,809
Accumulated Depreciation	(197,739)	(8,699)	(238,604)	(445,042)

	Land and Buildings	Leased equipment	Equipment	Total
1.1.2005-30.6.2005				
Net Book Value 1.1.2005	852,342	1,520	62,905	916,767
Additions	5,088	180	14,472	19,740
Additions from merger with Delta Singular A.E. (net book value)	-	530	191	721
Additions from companies consolidated for first time (net book value)	26,840	-	6,651	33,491
Foreign exchange differences	686	56	905	1,647
Disposals	(445)	-	(79)	(524)
a) Cost	1,106	-	3,375	4,481
b) Depreciation	661	-	3,296	3,957
Reclassification to investment property	(2,501)	-	-	(2,501)
Reclassification from non-current assets held for sale	1,373	-	-	1,373
Depreciation charge for the period	(10,050)	(172)	(12,149)	(22,371)
Net Book Value 30.6.2005	873,333	2,114	72,896	948,343
Balance 30.6.2005				
Cost	1,084,641	11,282	330,518	1,426,441
Accumulated Depreciation	(211,308)	(9,168)	(257,622)	(478,098)

21. Goodwill and other intangible assets

	Goodwill	Software	Total
Balance 1.1.2004			
Cost	-	94,280	94,280
Accumulated Amortization	-	(64,810)	(64,810)
	-		
Net Book Value 1.1.2004	-	29,470	29,470
1.1.2004-30.6.2004			
Net Book Value 1.1.2004	-	29,470	29,470
Exchange differences	-	(40)	(40)
Additions	-	6,373	6,373
Amortization charge for the period	-	(6,670)	(6,670)
Net Book Value 30.6.2004	-	29,133	29,133
Balance 30.6.2004			
Cost	-	101,615	101,615
Accumulated Amortization	-	(72,482)	(72,482)
1.7.2004-31.12.2004			
Net Book Value 1.7.2004	-	29,133	29,133
Exchange differences	-	181	181
Additions	-	8,601	8,601
Disposals	-	-	-
a) Cost	-	585	585
b) Fully amortized	-	585	585
Amortization charge for the period	-	(7,054)	(7,054)
Net Book Value 31.12.2004	-	30,861	30,861
Balance 31.12.2004			
Cost	-	108,799	108,799
Accumulated Amortization	-	(77,938)	(77,938)
1.1.2005-30.6.2005			
Net Book Value 1.1.2005	-	30,861	30,861
Exchange differences	-	136	136
Additions	72,671	5,580	78,251
Additions from merger with Delta Singular A.E. (net book value)	-	239	239
Additions from companies consolidated for first time	-	10	10
Disposals	-	(5)	(5)
a) Cost	-	6	6
b) Fully amortized	-	1	1
Amortization charge for the period	-	(7,148)	(7,148)
Net Book Value 30.6.2005	72,671	29,673	102,344
Balance 30.6.2005			
Cost	72,671	116,364	189,035
Accumulated Amortization	-	(86,691)	(86,691)

22. Deferred tax assets and liabilities

	1.1.2005-30.6.2005				
		Recognition in			
	Balance 1.1.2005	Mergers and acquisitions	Income	Equity	Balance 30.6.2005
Deferred Tax Assets					
Derivative financial assets	429	-	1,077	-	1,506
Loans and advances to customers	17,288	2,063	(397)	-	18,954
Goodwill and other intangible assets	28,307	388	(577)	-	28,118
Property, plant and equipment	1,209	-	(63)	47	1,193
Non-current assets held for sale	12,830	-	-	-	12,830
Other assets	1,872	71	(1,387)	(572)	(16)
Due to customers	(191)	-	-	-	(191)
Other liabilities	3,048	-	(80)	600	3,568
Employee defined benefit obligations	128,851	7	(151)	25	128,732
Retained earnings	6,515	2,256	618	(322)	9,067
Total	200,158	4,785	(960)	(222)	203,761

	1.1.2005-30.6.2005				
		Recognition in			
	Balance 1.1.2005	Mergers and acquisitions	Income	Equity	Balance 30.6.2005
Deferred Tax Liabilities					
Goodwill and other intangible assets	-	-	4,603	-	4,603
Property, plant and equipment	1,658	766	476	7	2,907
Debt securities in issue and other borrowed funds	477	-	891	-	1,368
Other liabilities	1,492	-	(525)	180	1,147
Other temporary differences	256	13	622	-	891
Total	3,883	779	6,067	187	10,916
Balance	196,275	4,006	(7,027)	(409)	192,845

	1.1.2004-30.6.2004			
		Recognition in		
	Balance 1.1.2004	Income	Equity	Balance 30.6.2004
Deferred Tax Assets				
Derivative financial assets	2,284	807	-	3,091
Loans and advances to customers	8,151	1,738	-	9,889
Goodwill and other intangible assets	26,753	4,834	3	31,590
Property, plant and equipment	937	431	20	1,388
Other assets	12,420	(241)	3,348	15,527
Due to customers	(107)	(23)	-	(130)
Other liabilities	4,816	678	-	5,494
Employee defined benefit obligations	132,958	(2,707)	28	130,279
Retained earnings	8,246	406	-	8,652
Total	196,458	5,923	3,399	205,780

	Recognition in			
	Balance 1.1.2004	Income	Equity	Balance 30.6.2004
Deferred Tax Liabilities				
Derivative financial liabilities	43	(43)	-	-
Loans and advances to customers	1,509	(118)	-	1,391
Goodwill and other intangible assets	(81)	6	-	(75)
Property, plant and equipment	409	663	3	1,075
Debt securities in issue and other borrowed funds	-	1,281	-	1,281
Employee defined benefit obligations	(42)	-	-	(42)
Other liabilities	1,681	48	813	2,542
Other temporary differences	169	69	-	238
Total	3,688	1,906	816	6,410
Balance	192,770	4,017	2,583	199,370

	1.7.2004-31.12.2004			
	Recognition in			
	Balance 1.7.2004	Income	Equity	Balance 31.12.2004
Deferred Tax Assets				
Derivative financial assets	3,091	(2,662)	-	429
Loans and advances to customers	9,889	7,394	5	17,288
Goodwill and other intangible assets	31,590	(3,280)	(3)	28,307
Property, plant and equipment	1,388	(159)	(20)	1,209
Other assets	15,527	(790)	(35)	14,702
Due to customers	(130)	(61)	-	(191)
Other liabilities	5,494	(2,446)	-	3,048
Employee defined benefit obligations	130,279	(1,400)	(28)	128,851
Retained earnings	8,652	(2,137)	-	6,515
Total	205,780	(5,541)	(81)	200,158

	Recognition in			
	Balance 1.7.2004	Income	Equity	Balance 31.12.2004
Deferred Tax Liabilities				
Loans and advances to customers	1,391	(1,373)	-	18
Goodwill and other intangible assets	(75)	75	-	-
Property, plant and equipment	1,075	586	(3)	1,658
Debt securities in issue and other borrowed funds	1,281	(804)	-	477
Employee defined benefit obligations	(42)	42	-	-
Other liabilities	2,542	(237)	(813)	1,492
Other temporary differences	238	-	-	238
Total	6,410	(1,711)	(816)	3,883
Balance	199,370	(3,830)	735	196,275

23. Other assets

	30.6.2005	31.12.2004
Receivables from insurance activities	95,073	94,941
Receivables from reinsurance activities	1,844	2,672
Investments on behalf of life insurance policyholders	59,342	59,271
Prepayments	27,705	17,015
Other income receivable	4,977	1,326
Tax advances	99,385	88,280
Other	94,543	125,048
Total	382,869	388,553

24. Non-current assets held for sale

	Land-buildings	Office equipment	Total
Balance 1.1.2005			
Cost	32,084	617	32,701
1.1.2005-30.6.2005			
Cost	32,084,	617	32,701
Additions	949	-	949
Additions from merger with Delta Singular A.E.	21,175	-	21,175
Disposals	(1,546)	-	(1,546)
Reclassification to property, plant and equipment	(1,373)	-	(1,373)
Net Book Value 30.6.2005	51,289	617	51,906

Liabilities

25. Due to banks

	30.6.2005	31.12.2004
Current accounts	1,328,237	64,712
Term deposits	935,698	485,160
Sale and repurchase agreements	3,685,960	994,443
Total	5,949,895	1,544,315

26. Due to customers

	30.6.2005	31.12.2004
- Current accounts	5,506,996	5,069,676
- Saving accounts	9,319,953	9,096,320
- Fixed deposits	4,743,050	4,552,362
- Sale and repurchase agreements	923,148	1,852,460
	20,493,147	20,570,818
Cheques payable	240,276	125,806
Total	20,733,423	20,696,624

27. Debt securities in issue and other borrowed funds

The Group to effectively fund its activities has significantly broaden its funding sources and so as to ensure:

i) cheaper funding
ii) long-term funding
iii) strengthening of the capital adequacy ratio

As a result the Group has issued:

i) Senior debt securities

ii) Subordinated debt securities
These securities are subordinated, because the holders in case of a compulsory payment are satisfied after the owners of common debt securities. Their maturity is 10 years, with the right of first redemption after 5 years. These bonds are considered own funds for regulatory purposes.

Senior debt

	30.6.2005	31.12.2004
Euro due 2005	1,600,625	3,222,401
Euro due 2006	2,508,811	1,503,017
Euro due 2007 with 1st call option in 2005	6,848	10,107
Euro due 2007	901,131	900,868
HKD 100 million due 2007	10,682	9,437
Euro due 2008	406,549	-
Euro due 2008 with 1st call option in 2005	8,141	10,875
Euro due 2009	710,172	710,202
Euro due 2009 with 1st call option in 2004	-	41,379
Euro due 2009 with 1st call option in 2005	9,163	10,132
CZK 1.500 million due 2009	49,705	48,971
US $ 11 million due 2009	9,072	8,042
US $ 5 million due 2009 with 1st call option in 2005	4,073	3,652
HKD 50 million due 2009	5,329	-
Euro due 2010	544,089	-
Euro due 2010 with 1st call option in 2005	17,097	-
Euro due 2010 with 1st call option in 2007	1,001,003	-
US $ 5 million due 2010 with 1st call option in 2005	14,238	-
Euro due 2011 with 1st call option in 2005	23,485	60,639
Euro due 2011	15,826	15,514
Euro due 2012	205,394	-
Euro due 2012 with 1st call option in 2005	9,865	-
Euro due 2013	19,299	-
Euro due 2015	4,839	-
Total	8,085,436	6,555,236
Securities held by the Group	(753,493)	(721,944)
Total	7,331,943	5,833,292

Subordinated debt

Euro due 2010 with 1st call option in 2005	-	100,229
Euro due 2012 with 1st call option in 2007	325,716	325,757
Euro due 2013 with 1st call option in 2008	351,488	351,492
Euro due 2014 with 1st call option in 2009	200,914	201,082
JPY 30 billion with 1st call option in 2015	220,814	-
Total	1,098,932	978,560
Securities held by the Group	(18,622)	(84,774)
	1,080,310	893,786
Total	8,412,253	6,727,078

28. Liabilities for current income tax and other taxes

	30.6.2005	31.12.2004
Current income tax	58,940	151,093
Other taxes	10,214	24,457
Total	69,154	175,550

29. Employee defined benefit obligations

The amounts recognized in the financial statements for employee defined benefit obligations are presented in the table below:

	Balance sheet 30.6.2005	Income statement 1.1.-30.6.2005 (Note 7)	Balance sheet 31.12.2004	Income statement 1.1.-30.6.2004 (Note 7)
TAP	542,352	21,847	522,352	19,705
TAPILT	(5,188)	235	(5,423)	918
Alpha Insurance A.E.	15,553	526	15,320	564
Alpha Bank Cyprus	22,480	2,644	19,615	2,108
Subsidiaries in Greece (Law 2112/1920 compensation)	5,495	236	5,405	280
Total	580,692	25,488	557,269	23,575

a. Bank

i. The supplementary pension fund of the former Alpha Credit Bank (TAP) is responsible for the main pension and benefits of retired employees for the period from the date of retirement until they are eligible to receive their pension from the Social Security Insurance Fund (IKA).

The Fund received extra contributions from the Bank as its plan assets were not sufficient to meet employee benefits, which were determined by an actuarial study.

The liability recognized is analyzed as follows:

	30.6.2005	31.12.2004
Present value of defined benefit obligations	707,811	698,796
Fair value of plan assets	(118,071)	(131,438)
	589,740	567,358
Unrecognized actuarial losses	(47,388)	(45,006)
Liability in the balance sheet	542,352	522,352

The movement in the net liability recognized in the balance sheet is as follows:

Balance 1.1.2004	499,851
Accrued expense recognized	19,705
Contributions paid	(2,299)
Balance 30.6.2004	517,257
Balance 1.7.2004	517,257
Accrued expense recognized	19,705
Contributions paid	(14,610)
Balance 31.12.2004	522,352
Balance 1.1.2005	522,352
Accrued expense recognized	21,847
Contributions paid	(1,847)
Balance 30.6.2005	542,352

Expense recognized in the income statement consists of:

	30.6.2005	30.6.2004
Current service cost	6,550	6,255
Interest cost	18,713	17,303
Expected return on plan assets	(3,416)	(3,853)
Total (included in staff costs)	21,847	19,705

The principal actuarial assumptions as at the balance sheet date are the following:

	30.6.2005	31.12.2004
Discount rate	5.5%	5.5%
Expected return on plan assets	5.5%	5.5%
Future salary increases	3.5%	3.5%
Future pension increases	2.5%	2.5%

ii. Ionian and Popular Bank Insurance Fund (TAPILT) is responsible for the benefits of retired employees from ex-Ionian Bank.

The Bank has guaranteed all benefits to be paid to the Fund in accordance with the conditions set out in the Fund's charter.

The liability recognized is analyzed as follows:

	30.6.2005	31.12.2004
Present value of defined benefit obligations	58,099	56,618
Fair value of plan assets	(56,342)	(55,641)
	1,757	977
Unrecognized actuarial losses	(6,945)	(6,400)
Recognized liability	(5,188)	(5,423)

The movement in the net liability recognized in the balance sheet is as follows:

Balance 1.1.2004	32,505
Accrued expense recognized	918
Contributions paid	-
Balance 30.6.2004	33.423
Balance 1.7.2004	33.423
Accrued expense recognized	917
Contributions paid	(39,763)
Balance 31.12.2004	(5,423)
Balance 1.1.2005	(5,423)
Accrued expense recognized	235
Contributions paid	-
Balance 30.6.2005	(5,188)

Amounts recognized in income statement consists of:

	30.6.2005	30.6.2004
Current service cost	215	58
Interest cost	1,320	1,248
Expected return on plan assets	(1,327)	(388)
Actuarial losses recognized during the period	27	-
Total (included in staff costs)	235	918

The principal actuarial assumptions as at the balance sheet date are the following:

	30.6.2005	31.12.2004
Discount rate	5%	5%
Expected return on plan assets	5%	5%
Future salary increases	3.5%	3.5%

b. Group

i. Alpha Insurance A.E.

The Company maintains a special account for specific employees who are close to retirement. In addition, there is an insurance contract for the former Emporiki General Insurance A.E. based on which a lump sum is granted at retirement.

The liability recognized is analyzed as follows:

	30.6.2005	31.12.2004
Present value of defined benefit obligations	14,893	14,659
Unrecognized actuarial gains	661	661
Recognized liability	15,554	15,320

The movement in the net liability recognized in the balance sheet is as follows:

Balance 1.1.2004	14,786
Accrued expense recognized	564
Contributions paid	7
Benefits paid	(305)
Balance 30.6.2004	15,052
Balance 1.7.2004	15,052
Accrued expense recognized	564
Contributions paid	9
Benefits paid	(305)
Balance 31.12.2004	15,320
Balance 1.1.2005	15,320
Accrued expense recognized	526
Contributions paid	10
Benefits paid	(302)
Balance 30.6.2005	15,554

The amounts recognized in income statement consists of:

	30.6.2005	30.6.2004
Current service cost	160	157
Interest cost	366	407
Total (included in staff costs)	526	564

The principal actuarial assumptions as at the balance sheet are the following:

	30.6.2005	31.12.2004
Discount rate	5%	5%
Future salary increases	3.5%	3.5%
Future pension increases	2.5%	2.5%

ii. Alpha Bank Cyprus

Personnel receive a lump sum benefit on retirement which is calculated based on the years of service and salary.

The liability recognized is as follows:

	30.6.2005	31.12.2004
Present value of defined benefit obligations	28,954	26,016
Unrecognized actuarial gains	(6,474)	(6,401)
Recognized liability	22,480	19,615

The movement in the net liability recognized in the balance sheet is as follows:

Balance 1.1.2004	14,516
Accrued expense recognized	2,108
Benefits paid	(256)
Exchange differences	129
Balance 30.6.2004	16,497
Balance 1.7.2004	16,497
Accrued expense recognized	3,141
Benefits paid	(81)
Exchange differences	58
Balance 31.12.2004	19,615
Balance 1.1.2005	19,615
Accrued expense recognized	2,644
Benefits paid	(26)
Exchange differences	247
Balance 30.6.2005	22,480

The principal actuarial assumptions as at the balance sheet date are the following:

	30.6.2005	31.12.2004
Discount rate	5.5%	5.5%
Future salary increases	6.5%	6.5%

iii. Companies in Greece

The employees of the Greek subsidiaries with indefinite employment contracts receive a lump sum payment on retirement, which is defined by Law 2112/1920. The amounts recognized in the balance sheet are analyzed as follows:

	30.6.2005	31.12.2004
Balance sheet		
Liability	5,495	5,405

	30.6.2005	30.6.2004
Income statement		
Payroll and related costs	236	280

30. Other liabilities

	30.6.2005	31.12.2004
Dividends payable	7,552	-
Withholdings in favour of third parties	402,257	144,953
Insurance activities	30,297	29,155
Reinsurance activities	3,061	2,780
Other accrued income	61,273	68,590
Other accrued expenses	37,346	22,832
Other	342,078	398,295
Total	883,864	666,605

31. Provisions

	30.6.2005	31.12.2004
Insurance reserves	290,126	286,617
Other provisions	11,190	2,476
Total	301,316	289,093

Provisions are analyzed as follows:

a. Insurance provisions

Type	30.6.2005	31.12.2004
Non-life insurance		
Unearned premiums	42,791	41,497
Outstanding claim reserves	54,747	57,566
Total	97,538	99,063
Life insurance		
Mathematical reserves	125,236	121,945
Outstanding claim reserves	8,010	6,338
Total	133,246	128,283
Reserves for investments held on behalf and at risk of life insurance policy holders	59,342	59,271
Grand total	290,126	286,617

b. Other provisions

Balance 1 January 2004	16,065
Exchange differences	(1)
Provisions charged to income statement	16
Provisions used during the period	(4,410)
Balance 30 June 2004	11,670
Provisions charged to statement	1,245
Provisions used during the period	(10,439)
Balance 31 December 2004	2,476
Jubanka acquisition	10,509
Exchange differences	(230)
Provisions charged to income statement	1,238
Provisions used during the period	(2,803)
Balance 30 June 2005	11,190

The provision charge for the period is included in “Other expenses”.

Equity

32. Share capital

	Number of shares	Paid-in capital
Balance 1 January 2004	195,835,935	953,721
Capitalization of fixed assets revaluation surplus	39,167,187	319,996
Balance 30 June 2004	235,003,122	1,273,717
Share options exercise	102,445	555
Balance 31 December 2004	235,105,567	1,274,272
Merger with Delta Singular A.E.	7,564,106	23,449
Capitalization of reserve to round the share price to € 5.35	-	562
Capitalization of reserves	48,533,935	157,735
Balance 30 June 2005	291,203,608	1,456,018

33. Share premium

Balance 1 January 2004	244,914
Ex-Ionian Bank goodwill net-off	(244,914)
Balance 31 December 2004	-
Merger with Delta Singular A.E.	125,685
Balance 30 June 2005	125,685

34. Reserves

Reserves are analyzed as follows:

	30.6.2005	31.12.2004
Statutory reserve	349,652	347,575
Share options valuation reserve	1,967	863
Available-for-sale securities reserve	12,392	11,767
Translation differences reserve	16,713	4,890
Total	380,724	365,095

35. Retained Earnings

Balance 1 January 2004	235,014
Profit for the period	208,302
Change of participating interest in subsidiaries	(8,441)
Dividends paid to equity holders of the Bank	(117,502)
Dividends paid to hybrid securities holders	(6,779)
Ex-Ionian Bank goodwill net-off	244,914
Share capital increase	(319,996)
Reserves	(4,373)
Other	529
Balance 30 June 2004	231,668
Profit for the period	199,926
Dividends paid to hybrid securities holders	(291)
Changed of participating interest in subsidiaries	(7,263)
Reserves	(57,361)
Other	(588)
Balance 31 December 2004	366,091
Profit for the period	223,319
Change of participating interest in subsidiaries	(3,838)
Dividends paid to equity holders of the Bank	(174,064)
Dividends paid to hybrid securities holders	(7,265)
Capitalization of reserves	(157,735)
Reserves	(2,078)
Merger with Delta Singular A.E.	(562)
Other	9
Balance 30 June 2005	243,877

36. Treasury shares

The treasury shares held by Alpha Bank and subsidiaries are as follows:

	30.6.2005		31.12.2004	
Company	Number of shares	Cost	Number of shares	Cost
Alpha Bank A.E.	1,592,172	29,975	913,860	18,638
Alpha Finance A.X.E.P.E.Y.	139	3	1,804	47
Alpha Insurance Agents A.E.	6,000	188	6,000	188
	1,598,311	30,166	921,664	18,873

37. Hybrid securities

Alpha Group Jersey a wholly owned subsidiary of the Bank issued hybrid securities (Non-cumulative guaranteed Non-voting preferred securities) as follows:

- On 5 December 2002 amount of € 200 million preferred securities with interest step up clause, which represent Lower Tier 1 capital for the Group.
  They are perpetual securities and may be redeemed after the expiration of 10 years. preferred securities give the issuer the right of no preferred dividend payment if the Bank does not pay any dividend to common shareholders. They carry interest at the 3-month Euribor plus a margin of 265b.p. If redemption option is not exercised the margin is increased by 132.5b.p. reaching 397.5b.p in total. The preferred securities are listed on the Luxembourg Stock Exchange.

- On 5 December 2003 amount of € 100 million preferred securities with the same characteristics as those issued on 5 December 2002.

- On 18 February 2005 amount of € 600 million preferred Securities without an interest step up clause, which also represent Lower Tier 1 capital for the Group since they fulfill the requirements of securities with interest step up clause as described above. The expenses of the issue mentioned above is amounted to €12 million. Non-cumulative dividend of preferred securities carry fixed interest at 6% for the first 5 years and thereafter interest is determined based on the formula 4x(CMS10-CMS2) with a ceiling and floor rate of 10% and 3.25% respectively. CMS10 and CMS2 represent the Euribor of interest rate swaps of 10 and 2 years, respectively.

In previous period financial statements the preferred securities were classified to "Debt securities in issue and other borrowed funds". The financial statements of the prior period have been restated as described in note 47.

Hybrid securities	30.6.2005	31.12.2004
Perpetual with 1st call option in 2012	300,000	300,000
Perpetual with 1st call option in 2015	588,000	-
Total	888,000	300,000
Securities held from Group companies	(49,796)	(2,647)
Total	838,204	297,353

Additional Information

38. Contingent liabilities and commitments

a) Legal issues

The Group in the ordinary course of business is a dependent in claims from customers and other legal actions. No provision has been recorded because after calculation with legal council, the ultimate disposition of these matters is not expected to have a material effect on the financial position or operations of the Group.

There are no pending legal cases or issues in progress which may have a material impact on the financial statements of the Group.

b) Tax issues

The Bank's books and records have been audited by the tax authorities up to the year 2002 and for remaining companies of the group up to the year 2000.
Additional tax and penalties may be imposed for the unaudited years.

c) Operating leases

The Group's minimum future lease payments are as follows:

	30.6.2005	31.12.2004
Less than one year	22,912	18,315
Between one and five years	73,508	61,085
More than five years	72,965	64,194
Total	169,385	143,594

The minimum future lease revenues are as follows:

	30.6.2005	31.12.2004
Less than one year	2,819	3,166
Between one and five years	10,094	10,747
More than five years	8,822	9,243
Total	21,735	23,156

d) Off balance sheet liabilities

	30.6.2005	31.12.2004
Letters of credit	132,725	97,077
Letters of guarantee	3,748,584	3,656,395
Approved loan agreements and credit limits	11,246,960	10,516,615
Total	15,128,269	14,270,087

e) Assets pledged

	30.6.2005	31.12.2004
Trading securities	185,000	85,000
Investment securities	200,000	100,000
Total	385,000	185,000

From the trading portfolio securities € 5,000 are pledged as collateral to clearing house of derivative transactions "ETESEP" A.E. as margin account insurance and € 80,000 are placed for capital withdrawal and the rest € 100,000 together with € 200,000 of investment securities relate to securities pledged as collateral with the Bank of Greece for the participation in the Inter-Europe clearing of payments system on an ongoing time (TARGET).

39. Group consolidated companies

The Group's subsidiaries and joint ventures that were consolidated are:

a. *Subsidiaries*

Name	Country of Incorporation	Group's ownership interest %	
		30.6.2005	31.12.2004
Banks			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Ltd	Cyprus	100.00	100.00
3. Alpha Bank Romania S.A.	Romania	99.91	96.40
4. Alpha Bank AD Skopje	Fyrom	100.00	100.00
5. Alpha Bank Jersey Ltd	Jersey	100.00	100.00
6. Jubanka a.d. Beograd	Serbia-Montenegro	88.64	-
Leasing companies			
1. Alpha Leasing A.E.	Greece	99.59	99.52
2. Alpha Leasing Romania S.A.	Romania	99.91	99.20
3. ABC Factors A.E.	Greece	100.00	100.00
4. Alpha Asset Finance Ltd	Cyprus	100.00	100.00
Investment banking			
1. Alpha Finance A.X.E.P.E.Y.	Greece	100.00	100.00
2. Alpha Finance US Corporation	U.S.A.	100.00	100.00
3. Alpha Finance Romania S.A.	Romania	99.98	99.11
4. Alpha Finance Ltd	Cyprus	100.00	100.00
5. Alpha Ventures A.E.	Greece	100.00	100.00
6. Alpha Equity Fund A.E.	Greece	100.00	100.00
7. Alpha AEF European Capital Investments	Holland	100.00	100.00
Asset management			
1. Alpha Mutual Fund Management A.E.	Greece	100.00	100.00
2. Alpha Asset Management A.E.P.E.Y.	Greece	100.00	100.00
3. Alpha Private Investment Services A.E.	Greece	100.00	100.00
4. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
Insurance			
1. Alpha Insurance A.E.	Greece	99.56	99.56
2. Alpha Insurance Romania S.A.	Romania	99.92	99.21
3. Alpha Insurance Agents A.E.	Greece	100.00	100.00
4. Alpha Insurance Brokers A.E.	Greece	94.58	94.58
5. Alpha Insurance LTD Cyprus	Cyprus	99.92	99.92
Other companies			
1. Alpha Astika Akinita A.E.	Greece	60.35	52.87
2. Alpha Group Jersey Ltd	Jersey	100.00	100.00
3. Ionian Hotel Enterprises A.E.	Greece	89.51	88.03
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Oceanos A.T.O.E.E.	Greece	100.00	100.00
6. Alpha Credit Group Plc	United Kingdom	100.00	100.00
7. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
8. Alpha Trustees Ltd	Cyprus	100.00	100.00
9. Messana Holdings S.A.	Luxemburg	100.00	100.00
10. Flagbright Ltd	United Kingdom	100.00	100.00
11. Kafe Mazi A.E.	Greece	100.00	100.00
12. Evremathea A.E.	Greece	100.00	-

b. Joint Ventures

Name	Country of Incorporation	Group's ownership interest %	
	30.6.2005	30.6.2005	31.12.2004
1. Cardlink A.E.	Greece	50.00	50.00

The subsidiaries were fully consolidated and the joint ventures with the proportional consolidation.

Jubanka AD Beograd was consolidated for first time in 31 March 2005 and Evremathea A.E. in 30 June 2005.

40. Segment reporting

a. *Analysis by sector*

(Millions of Euro)

	30.6.2005						
	Group	Retail	Corporate Banking	Asset Management/ insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	582.8	353.4	132.0	11.2	19.3	66.1	0.8
Commission	163.4	53.8	43.7	36.3	12.8	20.4	(3.6)
Other income	63.2	4.8	1.6	16.3	(4.8)	13.3	32.0
Total income	809.4	412.0	177.3	63.8	27.3	99.8	29.2
Expenses	403.0	150.1	32.5	27.5	11.8	51.3	129.8
Inter-segment expenses	-	69.5	14.5	14.9	4.3	9.1	(112.3)
Total Expense	403.0	219.6	47.0	42.4	16.1	60.4	17.5
Impairment	124.2	64.9	53.3	(3.2)	-	9.2	-
Profit (loss) from associates	(1.1)	-	-	-	-	-	(1.1)
Profit before tax	281.1	127.5	77.0	24.6	11.2	30.2	10.6
Total assets	40,180.0	12,374.6	11,325.0	574.1	12,751.9	2,774.0	380.4
Total liabilities	37,102.5	21,107.5	1,605.4	991.4	9,485.5	2,578.2	1,334.5
Capital expenditures 1.1.-30.6.2005 (notes 19, 20, 21)	25.4	14.4	2.7	3.0	1.0	3.2	1.1

	30.6.2004						
	Group	Retail	Corporate Banking	Asset Management/ insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	512.4	303.1	127.4	11.4	26.8	46.3	(2.6)
Commission	165.7	60.3	49.4	28.9	15.6	14.1	(2.6)
Other income	92.0	7.7	3.4	16.2	41.9	11.4	11.4
Total income	770.1	371.1	180.2	56.5	84.3	71.8	6.2
Expenses	418.1	145.4	31.3	28.7	11.7	35.5	165.5
Inter-segment expenses	-	100.7	21.9	13.5	4.3	8.7	(149.1)
Total Expense	418.1	246.1	53.2	42.2	16.0	44.2	16.4
Impairment	106.0	44.0	48.0	4.0	-	10.0	-
Profit (loss) from associates	38.5	-	-	-	-	-	38.5
Profit before tax	284.5	81.0	79.0	10.3	68.3	17.6	28.3
Total assets 31.12.2004	33,236.8	11,235.3	11,207.6	536.3	7,616.4	2,243.5	397.7
Total liabilities 31.12.2004	30,889.4	21,877.4	1,096.8	1,067.0	3,273.5	1,924.9	1,649.8
Capital expenditures 1.1.-30.6.2004 (Notes 19, 20, 21)	25.2	10.7	2.1	1.1	0.3	3.2	7.8

i. Retail banking
Includes all individuals (retail banking customers) of the Group, professionals, small and very small companies.

The Group offers through its extended branch network, all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (housing, consumer, corporate loans, letter of guarantees) and debit and credit cards to the above customers.

ii. Corporate banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division (Corporate) and shipping corporations.

The Group offers working capital facilities, corporate loans, and letters of guarantees.

In this sector are also included the leasing products which are offered through the subsidiary company Alpha Leasing and factoring services to third parties through the subsidiary company ABC Factors.

iii. Asset management / Insurance

Consists of a wide range of asset management services through Group's private banking.

A large variety of insurance services are also offered to individuals and corporations.

The subsidiary company Alpha Asset Management and also the mutual fund company Alpha AEDAK. Also is offered a wide range of insurance products to individuals and companies through the subsidiary company Alpha Insurance.

iv. Investment Banking/ Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered either the Bank or specialized subsidiaries with activities on the above products (Alpha Finance, Alpha Venture capital). Includes also the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South Eastern Europe

Consists of the Bank's branches and subsidiaries operating in South Eastern Europe.

vi. Other
Their segment consist of the non-financial subsidiaries and other foreign subsidiaries excluding those in South Eastern Europe and Bank's administration section.

b. Analysis by geographical sector

(Millions of Euro)

	30.6.2005		
	Group	Greece	Other Countries
Net interest income	582.8	505.7	77.1
Commission	163.4	141.3	22.1
Other income	63.2	50.9	12.3
Total income	809.4	697.9	111.5
Expenses	403.0	346.1	56.9
Inter-segment expenses	-	(10.2)	10.2
Total Expense	403.0	335.9	67.1
Impairment	124.2	115.5	8.7
Profit (loss) from associates	(1.1)	(1.1)	-
Profit before taxes	281.1	245.4	35.7
Assets	40,180.0	35,772.0	4,408.0

	30.6.2004		
	Group	Greece	Other Countries
Net interest income	512.4	456.6	55.8
Commission	165.7	150.0	15.7
Other income	92.0	80.2	11.8
Total income	770.1	686.8	83.3
Expenses	418.1	377.0	41.1
Inter-segment expenses	-	(8.2)	8.2
Total Expense	418.1	368.8	49.3
Impairment	106.0	95.8	10.2
Profit (loss) from associates	38.5	38.5	-
Profit before taxes	284.5	260.7	23.8
Assets 31.12.2004	33,236.8	29,339.5	3,897.3

41. Financial risk management

41.1 Market risk

Market risk is the risk of losses arising from unfavourable developments in interest rates, exchange rates, equity prices and commodities. Losses may also occur from trading portfolio and the management of assets and liabilities.

The market risk is measured by the Value at Risk – VAR. The method applied for calculating Value at Risk is historical simulation. The Bank applies a holding period of 1 and 10 days, depending on the time required to liquidate the portfolio.

In the first six months of 2005 it applied a 99% confidence level and a two year observation period.

During the first six months of 2005 the average Value at Risk for the Bank's trading portfolio for a ten day holding period was € 10.9 million. The maximum and minimum values were € 45.6 million (24.2.2005) and € 3 million (23.6.2005) respectively.

For 31 December 2004 the respective items are as follows:
- Average Value at Risk for 10 days, € 17.9 million.
- Maximum and minimum values € 54.9 million (3.2.2004) and € 3 million (7.12.2004).
- Value at Risk for 10 days in total for the Bank including investments € 13.1 million.

Positions held by the Group are minimal.

The Value at Risk methodology is complemented with stress tests based on both historical and hypothetical extreme movements of market parameters, in order to estimate the potential size of losses that could arise in extreme conditions.

Within the scope of policy-making for financial risk management by the Assets and Liabilities Management Committee (ALCO), exposure limits and maximum loss (stop loss) for various products of the trading portfolio have been set. In particular the following limits have been set for the following risks:

- Foreign currency risk for spot and forward positions.
- Interest rate risk for positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options.
- Price risk for position in shares, index futures and options.
- Credit risk for interbank transactions, corporate bonds and Government bonds of emerging markets.

Positions held in these products are monitored during the day and are examined as to the corresponding limit percentage cover and limit excess.

Analysis of Assets and Liabilities

Market risk may also arise, apart from the trading portfolio, from the analysis of assets and liabilities loan portfolio and deposits.

The method applied for calculating interest rate and foreign exchange risk is the same for the Bank and companies of the Group.

The Group takes on exposures to effects of fluctuations in foreign currency exchange rates. The management of the Bank sets limits on the level of exposure by currency and in total for both overnight and intra-day positions. The total position arises from the net on balance sheet position and derivatives forward position.

Foreign Exchange Position as at 30.6.2005

(Thousands in Euro)

	USD	GBP	CHF	JPY	OTHER F/C	EURO	TOTAL
ASSETS							
Cash and balances with Central Banks	67,260	12,685	401	32	272,903	1,043,077	1,396,358
Due from banks	1,830,207	15,527	6,103	3,013	101,081	7,608,178	9,564,109
Securities held for trading	-	-	-	-	5,716	357,378	363,094
Derivative financial assets	6,742	-	-	5,117	-	170,684	182,543
Loans and advances to customers	1,428,258	334,152	254,402	78,758	1,126,105	21,139,356	24,361,031
Investment Securities -Available for sale	336,364	4,024	-	-	191,550	2,016,568	2,548,506
Investments in associates	-	-	-	-		11,506	11,506
Investment property	-	-	-	-	1,446	62,197	63,643
Property, plant and equipment	36	3,639	-	-	81,037	863,631	948,343
Goodwill and other intangible assets	-	-	-	-	76,501	25,843	102,344
Deferred tax assets	-	229	-	-	2,295	201,237	203,761
Other assets	5,547	1,883	3,484	3,985	41,544	326,426	382,869
Non-current assets held for sale	-	-	-	-	94	51,812	51,906
Total Assets	3,674,414	372,139	264,390	90,905	1,900,272	33,877,893	40,180,013
Liabilities							
Due to banks	318,278	28,206	(17,594)	3,144	205,647	5,412,214	5,949,895
Derivative financial liabilities	16,710	195	-	-	-	144,111	161,016
Due to customers	2,311,249	421,412	19,507	228,883	1,305,465	16,446,907	20,733,423
Debt securities in issue and other borrowed funds	33,535	-	-	220,727	65,716	8,092,275	8,412,253
Liabilities for current income tax and other taxes	-	2,877	-	-	2,167	64,110	69,154
Deferred tax liabilities	-	-	-	-	2,156	8,760	10,916
Employee defined benefit obligations	-	-	-	-	22,480	558,212	580,692
Other liabilities	7,552	2,033	181	333	21,174	852,591	883,864
Provisions	-	-	-	-	38,108	263,208	301,316
Total Liabilities	2,687,324	454,723	2,094	453,087	1,662,913	31,842,388	37,102,529
Net on-balance sheet position	987,090	(82,584)	262,296	(362,182)	237,359	2,035,505	3,077,484
Derivatives forward foreign exchange position	(1,013,060)	169,288	(258,700)	363,758	221,518	539,904	22,708
Total foreign exchange position	(25,970)	86,704	3,596	1,576	458,877	2,575,409	3,100,192
Credit commitments	8,880	34,499	-	-	30,446	11,173,135	11,246,960

Foreign Exchange Position as at 31.12.2004

(Thousands in Euro)

	USD	GBP	CHF	JPY	OTHER F/C	EURO	TOTAL
Total Assets	1,924,865	374,528	248,768	131,542	1,598,788	28,958,317	33,236,808
Total Liabilities	2,044,624	441,550	21,408	1,116,285	1,558,774	25,706,721	30,889,362
Net on-balance sheet position	(119,759)	(67,022)	227,360	(984,743)	40,014	3,251,596	2,347,446
Derivatives forward foreign exchange position	153,980	121,776	(223,534)	984,197	163,453	(1,248,495)	(48,623)
Total foreign exchange position	34,221	54,754	3,826	(546)	203,467	2,003,101	2,298,823
Credit commitments	1,568	-	-	-	23,263	10,491,784	10,516,615

Furthermore, the assets and liabilities, are analyzed with respect to interest rate risk (gap analysis). The assets and liabilities are categorized into time periods, reprising by either contracted in the case of variable interest rate instruments, or by maturity date which is set out below.

Interest Rate Risk (Gap Analysis) as at 30.6.2005

(Thousands of Euro)

	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	884,586	-	-	-	-	-	511,772	1,396,358
Due from banks	7,831,652	1,644,467	8,291	79,699	-	-	-	9,564,109
Securities held for trading	105,648	-	26,589	7,138	161,109	62,610	-	363,094
Derivative financial assets	182,543	-	-	-	-	-	-	182,543
Loans and advances to customers	16,248,959	2,698,771	2,245,834	786,935	1,864,542	203,039	312,951	24,361,031
Investment Securities								
- Available for sale	125,210	52,167	132,798	1,896,291	176,910	90,396	74,734	2,548,506
Investments in associates	-	-	-	-	-	-	11,506	11,506
Investment property	-	-	-	-	-	-	63,643	63,643
Property, plant and equipment	-	-	-	-	-	-	948,343	948,343
Goodwill and other intangible assets	-	-	-	-	-	-	102,344	102,344
Deferred tax assets	-	-	-	-	-	-	203,761	203,761
Other assets	589	-	-	1,059	105	67	381,049	382,869
Non-current assets held for sale	-	-	-	-	-	-	51,906	51,906
Total Assets	25,379,187	4,395,405	2,413,512	2,771,122	2,202,666	356,112	2,662,009	40,180,013
LIABILITIES								
Due to banks	4,214,001	1,644,558	44,710	31,675	14,951	-	-	5,949,895
Derivative financial liabilities	161,016	-	-	-	-	-	-	161,016
Due to customers	19,629,336	540,696	300,275	235,639	27,477	-	-	20,733,423
Debt securities in issue and other borrowed funds	5,397,929	2,871,798	72,446	70,080	-	-	-	8,412,253
Liabilities for current income tax and other taxes	-	-	-	-	-	-	69,154	69,154
Deferred tax liabilities	-	-	-	-	-	-	10,916	10,916
Employee defined benefit obligations	-	-	-	-	-	-	580,692	580,692
Other liabilities	5	-	25	22	274	-	883,538	883,864
Provisions	-	-	-	-	-	-	301,316	301,316
Total liabilities	29,402,287	5,057,052	417,456	337,416	42,702	-	1,845,616	37,102,529
Equity								
Equity attributable to equity holders of the parent								
Share capital	-	-	-	-	-	-	1,456,018	1,456,018
Share premium	-	-	-	-	-	-	125,685	125,685
Reserves	-	-	-	-	-	-	380,724	380,724
Retained earnings	-	-	-	-	-	-	243,877	243,877
Treasury shares	-	-	-	-	-	-	(30,166)	(30,166)
Minority interest	-	-	-	-	-	-	63,142	63,142
	-	300,000	-	538,204	-	-	-	838,204
Total equity	-	300,000	-	538,204	-	-	2,239,280	3,077,484
Total Liabilities and equity	29,402,287	5,357,052	417,456	875,620	42,702	-	4,084,896	40,180,013
GAP	(4,023,100)	(961,647)	1,996,056	1,895,502	2,159,964	356,112	(1,422,887)	
CUMMULATIVE GAP	(4,023,100)	(4,984,747)	(2,988,691)	(1,093,189)	1,066,775	1,422,887	-	

Interest Rate Risk (Gap Analysis) as at 31.12.2004

(Thousands of Euro)

	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	1,423,873	14,183	-	-	-	-	317,293	1,755,349
Due from banks	4,697,990	399,806	44,806	56,805	23,417	-	-	5,222,824
Securities held for trading	5,540	805	18,029	68,677	47,885	21,166	-	162,102
Derivative financial assets	171,633	-	-	-	-	-	-	171,633
Loans and advances to customers	13,937,428	2,769,001	2,067,419	1,305,130	1,656,084	257,897	287,286	22,280,245
Investment Securities								
- Available for sale	86,961	57,684	1,185,496	257,295	164,376	143,925	77,857	1,973,594
Investments in associates	-	-	-	-	-	-	107,363	107,363
Investment property	-	-	-	-	-	-	27,359	27,359
Property, plant and equipment	-	-	-	-	-	-	916,767	916,767
Goodwill and other intangible assets	-	-	-	-	-	-	30,861	30,861
Deferred tax assets	-	-	-	-	-	-	200,158	200,158
Other assets	-	-	-	-	-	-	388,553	388,553
Non-current assets held for sale	-	-	-	-	-	-	-	-
Total Assets	20,323,425	3,241,479	3,315,750	1,687,907	1,891,762	422,988	2,353,497	33,236,808
LIABILITIES								
Due to banks	1,072,147	337,722	125,929	8,517	-	-	-	1,544,315
Derivative financial liabilities	228,945	-	-	-	-	-	-	228,945
Due to customers	18,659,979	1,688,658	121,754	216,632	9,601	-	-	20,696,624
Debt securities in issue and other borrowed funds	4,252,185	2,406,949	67,944	-	-	-	-	6,727,078
Liabilities for current income tax and other taxes	-	-	-	-	-	-	175,550	175,550
Deferred tax liabilities	-	-	-	-	-	-	3,883	3,883
Employee defined benefit obligations	-	-	-	-	-	-	557,269	557,269
Other liabilities	-	-	-	-	-	-	666,605	666,605
Provisions	-	-	-	-	-	-	289,093	289,093
Liabilities connected to assets held for sale	-	-	-	-	-	-	-	-
Total liabilities	24,213,256	4,433,329	315,627	225,149	9,601	-	1,692,400	30,889,362
Equity								
Equity attributable to equity holders of the parent								
Share capital	-	-	-	-	-	-	1,274,272	1,274,272
Share premium	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	365,095	365,095
Retained earnings	-	-	-	-	-	-	366,091	366,091
Treasury shares	-	-	-	-	-	-	(18,873)	(18,873)
Minority interest	-	-	-	-	-	-	63,508	63,508
Hybrid securities	-	297,353	-	-	-	-	-	297,353
Total equity	-	297,353	-	-	-	-	2,050,093	2,347,446
Total Liabilities and equity	24,213,256	4,730,682	315,627	225,149	9,601	-	3,742,493	33,236,808
GAP	(3,889,831)	(1,489,203)	3,000,123	1,462,758	1,882,161	422,988	(1,388,996)	
CUMMULATIVE GAP	(3,889,831)	(5,379,034)	(2,378,911)	(916,153)	966,008	1,388,996	-	

GAP Analysis allows an immediate calculation of changes in net interest income and the value of assets and liabilities upon application of alternative scenarios, such as changes in market interest rates or changes in the Bank's and Group's base interest rates.

41.2 Credit risk

Credit risk is the risk that a counterparty (borrower) will be unable to pay amount in full when due. Impairment provisions are provided for losses that have been incurred at the balance sheet date.

Moreover, significant changes in the economy, or state of a particular industry could result in risks that are different from those provided for at the balance sheet date. To manage these risks management has established limits in relation to individual borrowers or groups of borrowers.

The limits established are constantly monitored and are subject to a regular review by the responsible (based on the amount of the limit) approval body. Limits relating to specific credit products, industries and countries are examined and approved by the ALCO and Executive Committee.

The exposure to credit risk is managed by an analysis of the ability of the borrowers to their obligations using internal credit rating systems and methodologies.

In the instances of borrowers who have obtained facilities from other Group companies, the total exposure on a Group basis is taken into account in determining the credit risk. In addition Group companies use procedures and credit rating systems adopted to their products.

As a result the credit limits are adjusted if considered necessary. In addition the above analysis takes into account the interest rate spread and collaterals held.

41.3 Liquidity risk

Liquidity risk relates to the Group's ability to maintain sufficient funds to cover its obligations. To that end, a liquidity GAP analysis is performed.

Cash flows arising from all assets and liabilities are estimated and classified into relevant time periods, depending on when they occur. The liquidity Gap analysis is set to the table below:

Liquidity risk (liquidity gap analysis) as at 30.6.2005

(Thousands of Euro)

	less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	Total
ASSETS						
Cash and balances with Central Banks	1,396,358	-	-	-	-	1,396,358
Due from Banks	7,851,392	1,535,668	17,181	58,100	101,768	9,564,109
Securities held for trading	344,939	-	-	-	18,155	363,094
Derivative financial assets	182,543	-	-	-	-	182,543
Loans and advances to customers	1,564,870	1,884,294	2,768,137	4,032,256	14,111,474	24,361,031
Investment Securities	2,416,951	-	-	-	131,555	2,548,506
Investments in associates	-	-	-	-	11,506	11,506
Investment property	-	-	-	-	63,643	63,643
Property, plant and equipment	-	-	-	-	948,343	948,343
Goodwill and other intangible assets	-	-	-	-	102,344	102,344
Deferred tax assets	-	-	-	-	203,761	203,761
Non-current assets held for sale	-	-	-	-	51,906	51,906
Other assets	10,521	25,554	36,528	25,972	284,294	382,869
Total assets	13,767,574	3,445,516	2,821,846	4,116,328	16,028,749	40,180,013
LIABILITIES						
Due to banks	4,357,162	1,466,761	30,351	31,372	64,249	5,949,895
Derivative financial instruments	161,016	-	-	-	-	161,016
Due to customers	4,464,499	1,043,694	856,794	1,230,849	13,137,587	20,733,423
Debt securities in issue and other borrowed funds	500,000	596,292	497,194	1,484,879	5,333,888	8,412,253
Liabilities for current tax and other taxes	69,154	-	-	-	-	69,154
Deferred tax liabilities	-	-	-	-	10,916	10,916
Employee defined benefit obligations	3,641	7,282	10,923	21,847	536,999	580,692
Other liabilities	202,772	13,988	3,748	12,537	650,819	883,864
Provisions	-	-	-	-	301,316	301,316
Total Liabilities	9,758,244	3,128,017	1,399,010	2,781,484	20,035,774	37,102,529
Equity						
Total Equity	-	-	-	-	3,077,484	3,077,484
Total Liabilities and Equity	9,758,244	3,128,017	1,399,010	2,781,484	23,113,258	40,180,013
Liquidity gap	4,009,330	317,499	1,422,836	1,334,844	(7,084,509)	

Liquidity risk (liquidity gap analysis) as at 31.12.2004

	less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	Total
ASSETS						
Cash and balances with Central Banks	1,755,349	-	-	-	-	1,755,349
Due from Banks	4,680,663	283,067	98,900	5,621	154,573	5,222,824
Securities held for trading	153,997	-	-	-	8,105	162,102
Derivative financial assets	171,633	-	-	-	-	171,633
Loans and advances to customers	1,069,337	1,283,915	1,193,201	2,460,547	16,273,245	22,280,245
Investment securities	1,870,321	-	-	-	103,273	1,973,594
Investments in associates	-	-	-	-	107,363	107,363
Investment property	-	-	-	-	27,359	27,359
Property, plant and equipment	-	-	-	-	916,767	916,767
Goodwill and other intangible assets	-	-	-	-	30,861	30,861
Deferred tax assets	-	-	-	-	200,158	200,158
Non-current assets held for sale	-	-	-	-	-	-
Other assets	12,844	81,482	23,838	16,339	254,050	388,553
Total Assets	9,714,144	1,648,464	1,315,939	2,482,507	18,075,754	33,236,808
LIABILITIES						
Due to banks	1,314,348	159,401	18,522	303	51,741	1,544,315
Derivative financial liabilities	228,945	-	-	-	-	228,945
Due to customers	4,531,857	1,806,100	617,893	1,162,631	12,578,143	20,696,624
Debt securities in issue and other borrowed funds	476,057	618,746	489,764	1,598,561	3,543,950	6,727,078
Liabilities for current tax and other taxes	-	-	175,550	-	-	175,550
Deferred tax liabilities	-	-	-	-	3,883	3,883
Employee defined benefit obligations	3,641	7,282	10,923	21,847	513,576	557,269
Other liabilities	146,080	70,935	65,154	6,840	377,596	666,605
Provisions	-	-	-	-	289,093	289,093
Total Liabilities	6,700,928	2,662,464	1,377,806	2,790,182	17,357,982	30.889.362
Equity						
Total equity	-	-	-	-	2,347,446	2,347,446
Total Liabilities and equity	6,700,928	2,662,464	1,377,806	2,790,182	19,705,428	33,236,808
Liquidity gap	3,013,216	(1,014,000)	(61,867)	(307,675)	(1,629,674)	

A substantial portion of the Group's assets is funded with customer deposits and bonds issued by the Group. This type of funding can be divided into two categories:

a) Customer deposits for working capital purposes
Deposits for working capital purposes consist of savings accounts and sight deposits. Although these deposits may be withdrawn on demand number of accounts and type of depositors helps to ensure against unexpected fluctuations. So, such deposits constitute mostly a stable deposit base. Principles of economic analysis (GARCH) are applied in order to estimate the maximum daily outflows at a confidence level of 99%. For example, the maximum daily savings accounts outflow was estimated to 1% of the total balance and on the sight deposits accounts the respective outflow was 6.3% of the total balance.

b) Customer deposits and bonds issued for investment purposes
Customer deposits and bonds issued for investment purposes concern customer time deposits, customer repurchase agreements (repos) and sale of bonds issued by the Group. In order to measure the risk of these types of deposits daily outflows are estimated with statistical analysis of the daily renewal rate of such deposits.

42. Capital adequacy

The ratios measure capital adequacy by comparing the Group's regulatory own funds with the risks that it undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves, minority interest), additional Tier I capital (hybrid debt) and Tier II capital (subordinated debt and fixed asset revaluation reserves). The risk-weighted assets arise from the credit risk of the investment portfolio and the market risk of the trading portfolio.

The Group uses all modern methods to manage capital adequacy. It has issued hybrid and subordinated debts which are included on the calculation of regulatory funds. The cost of these debts is lower than share capital and adds value to the shareholders.

The current capital ratios (Tier I ratio and capital adequacy ratio) are much higher than the regulatory limits set by the Bank of Greece directive (4% and 8%, respectively) and the capital base is capable to support the business growth of the Group in all areas for the next years.

(Millions of Euro)

	30.6.2005	31.12.2004
Risk-weighted assets from credit risk	25,170	23,416
Risk-weighted assets from market risk	659	718
Total risk-weighted assets	25,829	24,134
Upper Tier I capital	2,231	1,960
Tier I capital	2,967	2,227
Total Tier I + Tier II capital	3,882	2,964
Upper Tier I ratio	8.6%	8.1%
Tier I ratio	11.5%	9.2%
Capital adequacy ratio (Tier I + Tier II)	15.0%	12.3%

43. Related-party transactions

a. The outstanding balances with members of the Board of Directors are as follows:

	30.6.2005	31.12.2004
Loans	977	3,431
Deposits	4,499	5,082
Letters of guarantee	113	10

b. The outstanding balances with associates and the related results of these transactions are as follows:

Associates

	30.6.2005	31.12.2004
Assets		
Loans and advances to customers	1,413	1,862
Total	1,413	1,862
Liabilities		
Amounts due to customers	723	181,083
Other liabilities	-	123
Total	723	181,206
Letters of guarantee	931	216,561
Total	931	216,561

	30.6.2005	30.6.2004
Income		
Interest and similar income	56	639
General administrative revenue	12	68
Total	68	707
Expenses		
Interest and similar charges	3	54
General administrative expenses	-	15,298
Total	3	15,352

c. The Group companies Board of Directors members' fees for the first six months of 2005 amount to € 2,110 (30.6.2004: € 1,165).

44. Share options granted to employees

On 11 April 2000 the Shareholders' in general meeting approved a share option plan to be granted to the executive managers of the Bank and Group, which would be granted based on their performance. The total number of shares to be issued under the share option plan was set at 0.5% of the total shares in issue and the exercise price was set at the nominal value. If subsequent to the grant date, there is a change in either the nominal value of the shares or the number of shares in issue, the shares that may be issued under the share option plan can be adjusted.

The exercise of the share options is three years after the grant date, and the Bank is not obliged to settle the options in cash.

The movement of the outstanding share options and their weighted average exercise price, after the adjustment following the share capital increase of 30 March 2004 and 19 April 2005 with the approval of the annual ordinary General Assemblies is as follows:

	2005		2004	
	Average exercise price per share	Share options remaining	Average exercise price per share	Share options remaining
1 January	5	557,431	5	447,924
Granted	-	-	-	-
Cancelled	5	(10,552)	5	(13,849)
Exercised	-	-	-	-
Adjusted	5	(14,581)	5	(22,452)
30 June	5	532,298	5	411,623
Granted			5	284,540
Cancelled			-	-
Exercised			5	(102,445)
Adjusted			5	(36,287)
31 December			5	557,431

The number of the outstanding share options at 30 June 2005 resulted in 532,298 (31 December 2004 : 557,431) with the remaining average weighted duration of 23 months (31 December 2004 : 29 months) and exercise price € 5 (31 December 2004 : € 5).

The average weighted fair value per option, determined using the Black & Scholes valuation model. The significant inputs into the model are the share price, exercise price, dividend yield, discount rate and volatility. Volatility, that is the standard deviation of expected share price variations is measured based on statistical analysis of daily share prices over the last 12 months.

On 24 May 2005 the shareholders' in general meeting approved a share options plan to be granted to the executive managers of the Bank and the Group. The duration of this plan is 5 years maturing in December 2009. The total number of shares to be issued under the share plan was set up to 1% of the total shares in issue and the exercise price will range from the nominal value up to 80% of the market price of the share.

45. Business combinations

a) Acquisition of Jubanka a.d. Beogard

On 3 February 2005 Alpha Bank acquired 88.64% of the share capital of Jubanka a.d. Beograd ("Jubanka") a bank established in Serbia. The acquisition of Jubanka will enhance the Bank's presence in Serbia and strengthen its operations with an additional 90 branches, 286,000 retail and 30,000 business customers. Serbia is a key market for the Bank in terms of growth prospects in the retail, corporate and public sectors.

The acquired company's profit contribution for the period from 3 February 2005 to 30 June 2005 was € 5.2 million.

As of 30 June 2005, the initial accounting for the acquisition of Jubanka has been determined based on provisional values. The Bank expects the initial accounting for this business combination to be completed within 2005.

	(Millions of Euro)
	Provisional Value
Assets	
Fixed Assets	35.0
Financial Investments	8.4
Loans and advances to customers	106.5
Other assets	55.9
Total Assets	205.8
Liabilities	
Amounts due to customers	94.5
Other Liabilities	18.8
Total Liabilities	113.3
Net Assets	92.5
Total Liabilities and Equity	205.8

Cost of Acquisition: € 154.4 million.
Cash consideration for shares: € 152.0 million.
Costs directly attributable to acquisition: € 2.4 million.
Goodwill: € 72.4 million.

After completion of the initial accounting for the acquisition of Jubanka, the goodwill is expected to decrease, mainly due to the recognition of intangible assets relating to the franchise value of the acquired bank (branch network, customer relationships, etc).

The Bank in accordance with the provisions of the relevant purchase agreement, made an offer on 11 July 2005 for the purchase of the remaining shares of Jubanka (minority shares) more details in note 46.

b) Merger by absorption of Delta Singular A.E. by Alpha Bank

In June 2004 Alpha Bank announced the merger by absorption of Delta Singular A.E., a company listed on the Athens Stock Exchange, which Alpha Bank had an ownership interest of 38.76%. The legal procedure of the merger became effective on 8 April 2005, when the relevant decision of the Greek Ministry of Development was published in the Government Gazette. The absorbing entity (Alpha Bank) issued 7,564,106 new shares in exchange for the remaining 61.24% of the share capital of Delta Singular A.E.

The share exchange ratio was certified as to its fairness, by independent auditors based on financial data deriving from the balance sheets of the merged entities which were prepared on 31 July 2004 (reporting date). The above data were included on the merger agreement plan in August 2004 by the decisions of the Board of Directors of merged entities.

In accordance with the Greek corporate Law, after the completion of the merger the absorbed company ceases to exist as a legal entity and all its assets and liabilities become assets and liabilities of the absorbing entity (principal of Universal succession). Up to 8 April 2005 Delta Singular A.E. was included in the consolidated financial statements of Alpha Bank as an associate and was accounted under the equity method. The Group's share of loss of associates for the period 1.1.-8.4.2005 was charged with € 1 million.

Delta Singular A.E. had undergone a significant corporate reorganization throughout 2004, by disposing its main business units, i.e. outsourcing services, software development and systems integration, to international and Greek investors. As a result, as at 8 April 2005 date of legal completion merger, its net assets (€ 256.1 million) mainly comprised of cash (from the sale of the business units), real estate assets and certain minor participations.

	(Millions of Euro)
	Provisional Value
Assets	
Cash	178.3
Fixed Assets	55.1
Available for sale securities	8.2
Investments in subsidiaries and associates	0.6
Other assets	14.6
Total Assets	**256.8**
Liabilities	**0.7**
Net Assets	**256.1**
Total Liabilities and Equity	**256.8**

Delta Singular A.E. net assets acquired by Alpha Bank: (€ 256.1 million x 61.24%): € 156.8 million. Cost of acquisition for 61.24% (value of 7,564,106 new issued shares of Alpha bank with price € 19.72 per share): € 149.1 million.
Negative goodwill: € 7.7 million

The above negative goodwill increased the results for the period 1.1.-30.6.2005 and is included in other income.

c) In 2004 and for the period 1.1.2005-30.6.2005 the Bank did not sell its participation in a principal subsidiary or associate.

46. Events after the balance sheet date

a) In August 2005 the Bank successfully completed the purchase of the minority shares of Jubanka. As a result, the Bank's participation in Jubanka amounts to 97.14% of the total share capital. The acquisitions was effected in accordance with the provisions of the relevant sale purchases agreement at the date of the initial acquisition of Jubanka, which set out the obligation of Alpha Bank to propose a public offer to the minority shareholders with similar financial terms as those agreed in the initial acquisition of the 88.64% stake in February 2005.

Regarding the remaining 2.86% minority holdings, the Bank will apply certain provisions stipulated by Serbian Corporate Law, and expects to acquire the remaining minority holdings before year end.

The cost for the acquisition of the 11.36% stake of the minorities is estimated at € 19.5 million and the total acquisition cost of Jubanka will amount to € 171.5 million.

b) During the period from 1 July 2005 to 26 August 2005 the Bank acquired 2,820,640 own shares at a cost of € 63,700 thousand (€ 22.58 per share), which represents 0.97% of the total share capital of the Bank. The purchase of the own shares was in accordance with the decision of the Board of Directors on 26 April 2005 to approve the purchase of 3,600,000 own shares during the period from 9 May to 9 November 2005. The plan of the Bank to acquire own shares has been approved by the shareholders general meeting of 19 April 2005.

The total own shares held by the Bank as of 26 August 2005 is 4,412,812 with a total cost of € 93,675 thousand, representing 1.51% of the issued share capital.

47. Restatement of prior periods financial statements

a) Presentation of finance leases in present value (note 1.2)

The following captions of the financial statements were restated as follows:

	31.3.2005	31.12.2004	31.3.2004	1.1.2004
Loans and advances to customers	(142,226)	(140,229)	(133,117)	(103,524)
Other liabilities	(142,226)	(140,229)	(133,117)	(103,524)

b) Reclassification of Hybrid securities to Equity (note 37)

The reclassification was attributable to re-assessed of the accounting treatment as to the nature of securities, whether it is debt or equity.

The effect from reclassification in balance sheet and income statement is as follows:

Liabilities	31.3.2005	31.12.2004	31.3.2004	1.1.2004
Debt securities in issue and other borrowed funds	(822,791)	(298,646)	(301,059)	(226,249)
Equity				
Hybrid securities	819,174	297,353	300,000	225,434
Retained earnings	3,617	1,292	1,059	815
Income statement				
Interest expense and similar charges	(7,241)	(14,265)	(3,339)	-
Gains less losses on financial transactions	(1,226)	255	-	-

c) Separation of embedded derivative from financial liability

The following captions of the financial statements were restated as follows:

	31.3.2005
Derivative financial liabilities	31,320
Debt securities in issue and other borrowed funds	31,320

The effect of the above restatements of reconciliation of equity and income statement as at 31.3.2004, as it was published in financial statements of 31.3.2005 is as follows:

Restatement of reconciliation of income statement between Greek GAAP and IFRS

	31.3.2004
Profit in accordance with Greek GAAP	99,601
Effects of transition to IFRS as it was published 31.3.2005	(7,920)
Effect of the classification of hybrid securities to equity	3,339
Total effect	(4,581)
Profit after tax in accordance with IFRS	95,020

Restatement of reconciliation of equity between Greek GAAP and IFRS

	31.3.2004
Total equity in accordance with Greek GAAP	2,336,548
Effects of transition to IFRS as it was published 31.3.2005	(395,487)
Effect of the classification of hybrid securities to equity	301,059
Total effect	(94,428)
Total Equity in accordance with IFRS	2,242,120

Reconciliations of equity and income statement as at 1.1.2004 and 31.12.2004 are set out bellow as restated.

48. Effects on the consolidated financial statements from transition to IFRS

In accordance with the European Union Directive 1606/2002 and Codified Law 2190/1920 the adoption of International Financial Reporting Standards (IFRS) is applicable for financial statements that relate to periods after 1.1.2005.

Due to the requirement to present 2004 comparatives on a consistent basis, the transition date to IFRS is 1.1.2004. On this date the transition balance sheet is prepared in accordance with IFRS 1.

Specifically, IFRS 1 requires the retrospective application of the new accounting standards, except for the exemptions discussed below, which are either mandatory exemptions or exemptions that the Group has the option to apply.

Mandatory exemptions from full retrospective application of IFRS

a. Derecognition of financial instruments

   Financial instruments derecognized before 1 January 2004 are not re-recognized under IFRS, even in the event that the financial instruments derecognized do not meet the derecognition criteria of IAS 39.

   The Group did not choose to apply the derecognition criteria to an earlier date.

b. Hedge Accounting

The requirements relating to hedge accounting have been considered for transactions arising after 1.1.2004. Transactions outstanding as at 1.1.2004 were examined as to adherence to hedge accounting criteria during the preparation of the IFRS transition balance sheet date and thereafter.

c. Estimates

An entity's estimates at the date of transition to IFRS, and comparative period (year 2004) should be consistent with estimates made for the same date under Greek GAAP, unless there is objective evidence that these estimates were in error.

There is no evidence to suggest that a revision of the estimates used by the Group in preparing the comparatives and the IFRS transition balance sheet is necessary.

d. Non-current assets held for sale and discontinued operations

IFRS 5, which address the measurement and presentation of non-current assets held for sale, was applied from 1.1.2005 in accordance with the transition provisions of the Standard.

In the periods covered by these financial statements the Group does not have operations that will be discontinued.

Optional exemptions from full retrospective application of IFRS

a. Business combinations

The Group elected not to restate business combinations that occurred prior to the 1.1.2004 transition date to IFRS, retaining the accounting treatment followed under Greek GAAP.

The consolidation differences and goodwill resulting from the above transactions which were recorded as at 31.12.2003 directly to equity were transferred to retained earnings.

b. Fair value used as deemed cost

In Group's financial statements as at 31.12.2003 prepared in accordance with Greek GAAP land and buildings were valued to fair value based on the requirements of Law 3229/2004. The fair value of the above assets, has been used as deemed cost at the date of transition to IFRS and the depreciation is charged over their useful lives. The revaluation surplus that had been recorded directly to a reserve in equity under Greek GAAP has been transferred to retained earnings.

c. Employee benefits

The employee defined benefit obligations recognized as at 1.1.2004 include the cumulative actuarial losses, which would not have been recognized if the Group had applied IAS 19 retrospectively.

Subsequent actuarial gains or losses to the extent that they exceed either 10% of the of the accrued obligation or the fair value of plan assets will be amortized in a period equal to the average remaining working lives of the employees.

d. Compound financial instruments

Compound financial instruments issued by an entity which contain both a liability and equity component should be classified separately on initial recognition.

Exemption from the retrospective application of the above accounting treatment applies when the instruments do not exist at the transition date.

This exemption is not applicable for the Group.

e. Adoption of IFRS 4, IAS 32 and 39 and classification of financial instruments

The Group did not use the exemption given by IFRS 1 concerning the comparative financial information for financial instruments and insurance contracts and adopted IAS 32, 39 and IFRS 4 from 1.1.2004.

The classification of financial instruments as available-for-sale securities and financial assets held for trading was performed at 1.1.2004.

f. Share-based payment transactions

The Group has elected to apply the share-based payment exemption, and applied IFRS 2 from 1.1.2004 to share options granted after 7.11.2002 but that have not vested by 1.1.2005.

g. Foreign exchange differences arising from the translation of foreign currency financial statements

The Group adheres to the IFRS principle relating to the translation difference arising from the consolidation of financial statements prepared in a foreign currency from 1.1.2004.

h. Financial statements of subsidiaries and associates

Subsidiaries and associates that have adopted IFRS prior to 1.1.2005 are included in the consolidated financial statements with no further adjustments, except for adjustments relating to the consolidation.

The financial statements of other subsidiaries and associates are adjusted to conform with IFRS to be included in the consolidated financial statements.

Furthermore, the Group decided to adopt IFRS from 1.1.2005 for subsidiaries that were preparing their financial statements according to their local accounting standards.

48.1 Consolidated transition Balance sheet to I.F.R.S. (1.1.2004)

	Note	Greek GAAP	Reclassifications	Adjustments	Consolidation of entities excluded under Greek GAAP	IFRS
ASSETS						
Cash and balances with Central Banks	A	1,150,358	(1,878)	-	682	1,149,162
Government and other securities eligible for refinancing from Central Banks	B	417,095	(417,095)	-	-	-
Due from banks	C	6,440,647	14,880	-	26,243	6,481,770
Securities held for trading	D	-	234,452	1,832	3,821	240,105
Derivative financial assets	E	-	19,459	329,492	-	348,951
Loans and advances to customers	F	19,845,388	200,475	18,631	(143,899)	19,920,595
Securities	G	1,300,393	(1,300,393)	-	-	-
Investment securities						
-Available-for-sale	H	-	1,520,120	(16,544)	158,234	1,661,810
Investments in associates	I	-	67,869	1,959	-	69,828
Investments	J	262,383	(94,432)	-	(167,951)	-
Investment property	K	-	27,660	-	3,134	30,794
Property, plant and equipment	L	717,524	(61,344)	7,882	263,344	927,406
Goodwill and other intangible assets	M	86,647	20,130	(82,087)	4,780	29,470
Deferred tax asset	n	-	-	177,752	18,707	196,459
Other assets	o	454,251	(229,410)	(43,067)	193,996	375,770
Prepaid expenses and accrued income	p	128,201	(128,201)	-	-	-
Total Assets		30,802,887	(127,708)	395,850	361,091	31,432,120
LIABILITIES						
Due to banks	q	2,447,326	1,977	-	-	2,449,303
Derivative financial liabilities	r	-	51,642	339,034	-	390,676
Due to customers	s	21,807,168	19,882	(1,920)	(13,484)	21,811,646
Debt securities in issue and other borrowed funds	t	3,254,458	8,538	(225,166)	-	3,037,830
Dividends payable	u	117,502	-	(117,502)	-	-
Liabilities for current income tax and other taxes	v	150,936	(6,810)	-	9,074	153,200
Deferred tax liabilities	w	-	-	3,687	-	3,687
Employee defined benefit obligations	x	22,522	-	525,881	18,102	566,505
Other liabilities	y	494,112	35,032	51,114	60,548	640,806
Deferred income and accrued expenses	z	237,969	(237,969)	-	-	-
Provisions	aa	16,608	-	(647)	266,169	282,130
Total Liabilities		28,548,601	(127,708)	574,481	340,409	29,335,783
EQUITY						
Share Capital		953,721	-	-	-	953,721
Share premium		244,914	-	-	-	244,914
Reserves	ab	1,229,148	(953,013)	20,695	-	296,830
Retained earnings	ac	214,338	451,929	(424,514)	(6,739)	235,014
Goodwill merger to net-off	ad	(273,021)	273,021	-	-	-
Goodwill	ae	(228,063)	228,063	-	-	-
Treasury shares	af				(1,048)	(1,048)
		2,141,037	-	(403,819)	(7,787)	1,729,431
Minority interest	ag	113,249	-	(246)	28,469	141,472
Hybrid securities	ah	-	-	225,434	-	225,434
Total Equity		2,254,286	-	(178,631)	20,682	2,096,337
Total Liabilities and Equity		30,802,887	(127,708)	395,850	361,091	31,432,120

Reconciliation of equity 1.1.2004

		Note
Total Equity in accordance with Greek GAAP	2,254,286	
Valuation difference of trading securities	1,832	d
Valuation difference of derivatives	(9,542)	e, r
Valuation difference of available-for-sale securities	(16,544)	h
Valuation effect on loans and deposits that were off-set	1,532	f, s
Adoption of effective interest method for loans valuation	(32,606)	f
Additional provision for loans impairment	(7,446)	f
Intangible assets written-off	(82,087)	m
Recognition of property and equipment under finance leases and related liabilities	(1,046)	l,y
Impairment of foreclosed property	(43,128)	o
Recognition of hybrid securities as equity	225,434	ah
Valuation difference of employee defined benefit obligations	(525,881)	x
Recognition of deferred tax assets and liabilities	174,065	n,w
Reclassification of dividends payable to retained earnings	117,502	u
Adjustment on property and equipment	9,317	l
Adjustment on loans	8,209	f
Subsidiaries excluded under Greek GAAP	20,682	ac,af,ag
Valuation difference from investment in associates under equity method	1,959	i
Other adjustments	(201)	
Total adjustments	(157,949)	
Total equity in accordance with IFRS	2,096,337	

Notes

a. Cash and balances with Central Banks

Balance in accordance with Greek GAAP	1,150,358
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	682
Reclassification to loans and advances to customers	(1,878)
Total	1,149,162

b. Government and other securities eligible for refinancing from Central Banks

The total amount of € 417,095 which consists of debt securities (Bonds – treasury bills, etc.) was reclassified to financial assets held for trading and available-for-sale securities.

c. Due from banks

Balance in accordance with Greek GAAP	6,440,647
Reclassification of accrued interest relating to interbank placements from other assets	10,740
Reclassification of receivables from other assets	4,240
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	26,143
Total	6,481,770

d. Securities held for trading

Cost of securities reclassified from other categories	227,935
Difference arising from the valuation of securities to fair value	1,832
Reclassification of accrued interest from current income	6,517
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	3,821
Total	240,105

e. Derivative financial assets

Reclassification from accrued income	17,930
Valuation to fair value	329,492
Reclassification of options from other assets	1,529
Total	348,951

f. Loans and advances to customers

Balance in accordance with Greek GAAP	19,845,388
Reclassification of receivables from securities and other assets	282,985
Recognition of receivables relating to discounted interest free installments	48,328
Adoption of effective interest method for valuation	(32,606)
Valuation effect difference on loans that are off-set	1,061
Impairment loss	(7,446)
Reclassification of accrued interest from current income	46,932
Reclassification from deferred income and accrued expense of provision for non-interest bearing loans	(113,479)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(143,899)
Reclassification to other assets	(10,424)
Other adjustments and reclassifications	3,755
Total	19,920,595

g. Securities

The amount of € 1,300,393 which consists of debt securities (bonds, treasury bills etc.), shares and mutual funds, was reclassified to financial assets held for trading, available-for-sale securities, and investment in associates.

h. Investment securities available-for-sale

Reclassification of carrying amount from securities, investments and other securities eligible for refinancing	1,495,067
Valuation difference	(16,544)
Reclassification of accrued interest from accrued income	25,053
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	158,234
Total	1,661,810

i. Investments in associates

Reclassification from investments	67,869
Difference arising from the equity method	1,959
Total	69,828

j. Investments

Balance in accordance with Greek GAAP	262,383
Reclassification to investments in associates	(67,869)
Reclassification to available-for-sale securities	(20,622)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(167,952)
Reclassification to loans and advances and other assets	(5,940)
Balance	-

k. Investment property

Reclassification from property and equipment	27,660
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	3,134
Total	30,794

l. Property, plant and equipment

Balance in accordance with Greek GAAP	717,524
Reclassification of software to intangible assets	(20,130)
Reclassification to other assets	(13,509)
Recognition of property, plant and equipment under finance lease	322
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	263,344
Reclassification to investment property	(27,660)
Other adjustments	7,515
Total	927,406

m. Goodwill and other intangible assets

Balance in accordance with Greek GAAP	86,647
Reclassification of software from tangible assets	20,130
Intangibles written-off as they are not recognized in accordance with IFRS	(82,087)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	4,780
Total	29,470

n. Deferred tax assets

Recognition of deferred tax assets	177,752
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	18,707
Total	196,459

o. Other assets

Balance in accordance with Greek GAAP	454,251
Reclassification of receivables to loans and advances to customers and due to banks	(276,364)
Reclassification of arts from own-used property and equipment	9,871
Reclassification of advances from property and equipment	3,637
Impairment of foreclosed property and equipment	(43,128)
Reclassification of prepaid expenses and accrued income	13,588
Valuation of bonds on trade date	308
Reclassification from securities	16,605
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	193,995
Reclassification from loans and advances to customers	10,424
Other adjustments	(7,417)
Total	375,770

p. Prepaid expenses and accrued income

Balance in accordance with Greek GAAP	128,201
Reclassification of accrued interest to related asset accounts	(89,966)
Reclassification to derivative assets	(19,459)
Reclassification to other assets	(18,776)
Total	-

q. Due to banks

Balance in accordance with Greek GAAP	2,447,326
Reclassification of accrued interest from accrued expenses	3,296
Other adjustments	(1,319)
Total	2,449,303

r. Derivative financial liabilities

Reclassification from deferred revenue and accrued expenses	51,642
Remeasurement to fair value	339,034
Total	390,676

s. Due to customers

Balance in accordance with Greek GAAP	21,807,168
Valuation effect difference on deposits that are off-set	(471)
Reclassification of accrued interest from accrued expenses	18,563
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(13,484)
Other adjustments	(130)
Total	21,811,646

t. Debt securities in issue and other borrowed funds

Balance in accordance with Greek GAAP	3,254,458
Reclassification of hybrid securities to equity	(226,249)
Reclassification of accrued interest from accrued expenses	8,538
Other adjustments	1,083
Total	3,037,830

u. Dividends payable

Balance in accordance with Greek GAAP	117,502
Reclassification of dividends payable to retained earnings	(117,502)
Total	-

v. Liabilities for income tax and other taxes

Balance in accordance with Greek GAAP	150,936
Amount netted-off with other assets	(6,810)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	9,074
Total	153,200

w. Deferred tax liabilities

Recognition of deferred tax liabilities	3,687

x. Employee defined benefit obligations

Balance in accordance with Greek GAAP	22,522
Recognition of liabilities to the pension plan in accordance with IFRS	525,881
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	18,102
Total	566,505

y. Other liabilities

Balance in accordance with Greek GAAP	494,112
Reclassification of deferred income and accrued expenses	42,419
Reclassification of liabilities on credit cards balances of no interest bearing instruments	48,328
Recognition of finance leases liabilities	1,368
Valuation of bonds on trade date	606
Other adjustments	(6,574)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	60,547
Total	640,806

z. Deferred income and accrued expenses

Balance in accordance with Greek GAAP	237,969
Reclassification to derivatives	(51,642)
Reclassification of accrued interest payable to related categories	(40,384)
Reclassification of non-accrued interest from finance leases to loans	(103,524)
Reclassification to other liabilities	(42,419)
Total	-

aa. Provisions

Balance in accordance with Greek GAAP	16,608
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	266,169
Other adjustments	(647)
Total	282,130

ab. Reserves

Balance in accordance with Greek GAAP	1,229,148
Reclassification of reserves, except for statutory reserve, to retained earnings	(953,013)
Reserve from the valuation of available-for-sale securities	(16,544)
Reclassification of impairment loss on available-for-sale securities to retained earnings	37,239
Total	296,830

ac. Retained earnings

Balance in accordance with Greek GAAP	214,338
Reclassification of all reserves, except for statutory reserve, to retained earnings	953,013
Reclassification of goodwill merger to net-off	(273,021)
Reclassification of goodwill	(228,063)
Reclassification of impairment loss on available-for-sale securities to retained earnings	(37,239)
IFRS transition adjustments	(387,275)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(6,739)
Total	235,014

ad. Goodwill from merger to net-off

Balance in accordance with Greek GAAP	(273,021)
Transfer to retained earnings	273,021
Total	-

ae. Goodwill

Balance in accordance with Greek GAAP	(228,063)
Transfer to retained earnings	228,063
Total	-

af. Treasury shares

Balance in accordance with Greek GAAP	-
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(1,048)
Total	(1,048)

ag. Minority interest

Balance in accordance with Greek GAAP	113,249
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	28,469
Other adjustments	(246)
Total	141,472

ah. Hybrid securities

Recognition of hybrid securities as equity	225,434
Total	225,434

48.2 Consolidated balance sheet and income statement as at 30.6.2004

	Note	Greek GAAP	Reclassifications	Adjustments	Consolidation of entities excluded under Greek GAAP	IFRS
ASSETS						
Cash and balances with Central Banks	a	1,205,520	(1,950)	-	356	1,203,926
Government and other securities eligible for refinancing from Central Banks	b	1,959,706	(1,959,706)	-	-	-
Due from banks	c	4,637,577	58,715	-	11,439	4,707,731
Securities held for trading	d	-	993,861	(5,753)	4,474	992,582
Derivative financial assets	e	-	69,193	190,593	-	259,786
Loans and advances to customers	f	21,341,297	169,462	(3,250)	(152,787)	21,354,722
Securities	g	680,315	(680,315)	-	-	-
Investment securities						
-Available-for-sale	h	-	1,682,531	(32,751)	156,290	1,806,070
Investments in associates	i	-	107,744	735	-	108,479
Investments	j	311,781	(132,663)	(128)	(178,990)	-
Investment property	k	-	32,239	-	2,998	35,237
Property, plant and equipment	l	717,923	(69,069)	4,234	264,575	917,663
Goodwill and other intangible assets	m	106,830	21,258	(102,779)	3,824	29,133
Deferred tax asset	n	-	-	186,201	19,579	205,780
Other assets	o	499,581	(260,153)	(56,598)	217,097	399,927
Prepaid expenses and accrued income	p	177,722	(177,722)	-	-	-
Total Assets		31,638,252	(146,575)	180,504	348,855	32,021,036
LIABILITIES						
Due to banks	q	1,249,997	2,409	1,492	-	1,253,898
Derivative financial liabilities	r	-	60,484	203,383	-	263,867
Due to customers	s	21,025,305	20,720	(118)	(11,689)	21,034,218
Debt securities in issue and other borrowed funds	t	5,806,343	13,208	(305,237)	(24,860)	5,489,454
Liabilities for current income tax and other taxes	u	94,786	(6,310)	-	7,446	95,922
Deferred tax liabilities	v	-	-	6,410	-	6,410
Employee defined benefit obligations	w	24,222	26,200	518,386	18,612	587,420
Other liabilities	x	664,232	71,069	30,916	74,617	840,834
Deferred income and accrued expenses	y	334,355	(334,355)	-	-	-
Provisions	z	17,058	-	(5,491)	280,531	292,098
Total Liabilities		29,216,298	(146,575)	449,741	344,657	29,864,121
EQUITY						
Share Capital		1,273,717	-	-	-	1,273,717
Share premium		-	-	-	-	-
Reserves	aa	864,384	(584,408)	5,511	-	285,487
Retained earnings	ab	464,019	350,655	(573,266)	(9,740)	231,668
Goodwill merger to net-off	ac	(233,753)	233,753	-	-	-
Treasury shares	ad	-	-	-	(235)	(235)
		2,368,367	-	(567,755)	(9,975)	1,790,637
Minority interest	ae	53,587	-	(1,461)	14,173	66,299
Hybrid securities	af	-	-	299,979	-	299,979
Total Equity		2,421,954	-	(269,237)	4,198	2,156,915
Total Liabilities and Equity		31,638,252	(146,575)	180,504	348,855	32,021,036

Income Statement 1.1-30.6.2004

	Note	Greek GAAP	Reclassifications	Adjustments	Consolidation of entities excluded under Greek GAAP	IFRS
Interest and similar income	ag	741,284	-	1,614	(302)	742,596
Interest expense and similar charges	ah	235,946	-	(6,865)	1.108	230,189
Net interest income		505,338		8,479	(1,410)	512,407
Fee and commission income	ai	187,572	-	(13,281)	780	175,071
Fee and commission expense	aj	14,661	-	(5,304)	(4)	9,353
Net fee and commission income		172,911	-	(7,977)	784	165,718
Dividend income	ak	586	-	356	335	1,277
Gains less losses on financial transactions	al	53,407	-	(10,570)	6,038	48,875
Other income	am	5,304	2,167	246	34,083	41,800
Total operating income		737,546	2,167	(9,466)	39,830	770,077
Staff costs	ah	204,553	-	(14,540)	16,530	206,543
General administrative expenses	ao	121,669	1,935	46,801	12,819	183,224
Depreciation and amortization expenses	ap	44,944		(22,559)	5,874	28,259
Impairment losses on loans and advances	aq	106,718	(1,649)	(46)	1,000	106,023
Other expenses	ar	983	473	(1,447)	7	16
Total operating expenses		478,867	759	8,209	36,230	524,065
Share of profit (loss) of associates	as	38,094	-	-	421	38,515
Extraordinary income		3,115	(3,115)	-	-	-
Extraordinary expenses		1,259	(1,259)	-	-	-
Extraordinary results		(448)	448	-	-	-
Profit before tax		298,181	-	(17,675)	4,021	284,527
Income tax	at	77,390	-	(3,959)	683	74,114
Net profit before minority interest		220,791	-	(13,716)	3,338	210,413
Minority interest	au	2,299	-	(2,299)	-	-
Net profit		218,492	-	(11,417)	3,338	210,413

Reconciliation of equity 30.6.2004

		Note
Total Equity in accordance with Greek GAAP	2,421,954	
Valuation difference of trading securities	(5,753)	d
Valuation difference of derivatives	(12,790)	e, r
Valuation difference of available-for-sale securities	(32,751)	h
Valuation effect on loans and deposits that were off-set	5,014	f,s,t
Adoption of effective interest rate method for loans valuation	(39,557)	f
Additional provision for loans impairment	(7,446)	f
Intangible assets written-off	(102,779)	m
Recognition of property and equipment under finance leases and related liabilities	(912)	l,x
Impairment of foreclosed property	(50,060)	o
Recognition of hybrid securities as equity	299,979	af
Valuation difference of employee defined benefit obligations	(533,438)	w
Recognition of deferred tax assets and liabilities	199,370	n,y
Adjustment on property, plant and equipment	6,847	l
Adjustment on loans	8,670	f
Subsidiaries excluded under Greek GAAP	(329)	ab, ad, ae
Valuation difference from investment in associates under equity method	735	i
Recognition of expenses based on annual estimations	1,398	y
Other adjustments	(1,237)	
Total adjustments	(265,039)	
Total equity in accordance with IFRS	2,156,915	

Notes

a. Cash and balances with Central Banks

Balance in accordance with Greek GAAP	1,205,520
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	356
Reclassification to loans and advances to customers	(1,950)
Total	1,203,926

b. Government and other securities eligible for refinancing from Central Banks

The total amount of € 1,959,706 which consists of debt securities (Bonds – treasury bills, etc.) was reclassified to financial assets held for trading and available-for-sale securities.

c. Due from banks

Balance in accordance with Greek GAAP	4,637,577
Reclassification of accrued interest relating to interbank placements from other assets	4,982
Reclassification of receivables from other assets	53,733
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	11,439
Total	4,707,731

d. Securities held for trading

Cost of securities reclassified from other categories	975,409
Difference arising from the valuation of securities to fair value	(5,753)
Reclassification of accrued interest from accrued income	18,452
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	4,474
Total	992,582

e. Derivative financial assets

Reclassification from accrued income	69,193
Valuation to fair value	190,593
Total	259,786

f. Loans and advances to customers

Balance in accordance with Greek GAAP	21,341,297
Reclassification of receivables from securities and other assets	269,614
Recognition of receivables relating to discounted interest free installment	39,377
Adoption of effective interest method for valuation	(39,557)
Valuation effect difference on loans that are off-set	589
Impairment loss	(7,446)
Reclassification of accrued interest from accrued income	49,387
Reclassification from deferred income and accrued expense of provision for non-interest bearing loans	(140,265)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(152,787)
Reclassification to other assets	(9,274)
Other adjustments and reclassifications	3,787
Total	21,354,722

g. Securities

The amount of € 680,315 which consists of debt securities (bonds, treasury bills etc.), shares and mutual funds, was reclassified to financial assets held for trading, available-for-sale securities, and investment in associates.

h. Investment securities available-for-sale

Reclassification of carrying amount from securities, investments and other securities eligible for refinancing	1,668,696
Valuation difference	(32,751)
Reclassification of accrued interest from accrued income	13,835
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	156,290
Total	1,806,070

i. Investments in associates

Reclassification from investments	107,744
Difference arising from the equity method	735
Total	108,479

j. Investments

Balance in accordance with Greek GAAP	311,781
Reclassification to investments in associates	(107,744)
Reclassification to available-for-sale securities	(24,919)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(178,990)
Other adjustments and reclassifications	(128)
Balance	-

k. Investment property

Reclassification from property and equipment	32,239
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	2,998
Total	35,237

l. Property, plant and equipment

Balance in accordance with Greek GAAP	717,923
Reclassification of software to intangible assets	(21,258)
Reclassification to other assets	(15,572)
Recognition of property, plant and equipment under finance lease	203
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	264,575
Reclassification to investment property	(32,239)
Depreciation adjustment based on property, plant and equipment useful life	2,801
Other adjustments	1,230
Total	917,663

m. Goodwill and other intangible assets

Balance in accordance with Greek GAAP	106,830
Reclassification of software from tangible assets	21,258
Intangibles written-off as they are not recognized in accordance with IFRS	(102,779)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	3,824
Total	29,133

n. Deferred tax assets

Recognition of deferred tax assets	186,201
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	19,579
Total	205,780

o. Other assets

Balance in accordance with Greek GAAP	499,581
Reclassification of receivables to loans and advances to customers and due to banks	(318,147)
Reclassification of arts from own-used property and equipment	9,994
Reclassification of advances from property and equipment	5,578
Impairment of foreclosed property and equipment	(50,060)
Reclassification of prepaid expenses and accrued income	16,988
Valuation of bonds on trade date	717
Reclassification from securities	16,592
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	217,097
Reclassification from loans and advances to customers	9,274
Other adjustments	(7,687)
Total	399,927

p. Prepaid expenses and accrued income

Balance in accordance with Greek GAAP	177,722
Reclassification of accrued interest to related asset accounts	(86,656)
Reclassification to derivative assets	(69,193)
Reclassification to other assets	(16,988)
Other adjustments and reclassifications	(4,885)
Total	-

q. Due to banks

Balance in accordance with Greek GAAP	1,249,997
Reclassification of accrued interest from accrued expenses	2,409
Other adjustments	1,492
Total	1,253,898

r. Derivative financial liabilities

Reclassification from deferred income and accrued expenses	60,484
Remeasurement to fair value	203,383
Total	263,867

s. Due to customers

Balance in accordance with Greek GAAP	21,025,305
Valuation effect difference on deposits that are off-set	(118)
Reclassification of accrued interest from accrued expenses	20,720
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(11,689)
Total	21,034,218

t. Debt securities in issue and other borrowed funds

Balance in accordance with Greek GAAP	5,806,343
Reclassification of accrued interest from accrued expenses	13,208
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(24,860)
Valuation effect difference on debt securities that are off-set and adoption of effective interest method	(4,307)
Reclassification of hybrid securities to equity	(300,930)
Total	5,489,454

u. Liabilities for income tax and other taxes

Balance in accordance with Greek GAAP	94,786
Amount netted-off with other assets	(6,310)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	7,446
Total	95,922

v. Deferred tax liabilities

Recognition of deferred tax liabilities	6,410

w. Employee defined benefit obligations

Balance in accordance with Greek GAAP	24,222
Reclassification from accrued expenses	26,200
Recognition of liabilities to the pension plan in accordance with IFRS	518,386
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	18,612
Total	587,420

x. Other liabilities

Balance in accordance with Greek GAAP	664,232
Reclassification of deferred income and accrued expenses	71,069
Reclassification of liabilities on credit cards balances of no interest bearing instruments	39,377
Recognition of finance leases liabilities	1,115
Valuation of bonds on trade date	1,182
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	74,617
Other adjustments	(10,758)
Total	840,834

y. Deferred income and accrued expenses

Balance in accordance with Greek GAAP	334,355
Reclassification to derivatives	(60,484)
Reclassification of accrued interest to other balance sheet captions	(176,602)
Reclassification to other liabilities	(71,069)
Reclassification to employee defined benefit obligations	(26,200)
Total	-

z. Provisions

Balance in accordance with Greek GAAP	17,058
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	280,531
Other adjustments and reclassifications	(5,491)
Total	292,098

aa. Reserves

Balance in accordance with Greek GAAP	864,384
Reclassification of reserves, except for statutory reserve, to retained earnings	(584,408)
Reserve from the valuation of available-for-sale securities	(32,751)
Reclassification of impairment loss on available-for-sale securities to retained earnings	38,262
Total	285,487

ab. Retained earnings

Balance in accordance with Greek GAAP	464,019
Reclassification of all reserves, except for statutory reserve, to retained earnings	584,408
Reclassification of goodwill merger to net-off	(233,753)
Reclassification of impairment loss on available-for-sale securities to retained earnings	(38,262)
IFRS transition adjustments	(535,004)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(9,740)
Total	231,668

ac. Goodwill from merger to net-off

Balance in accordance with Greek GAAP	(233,753)
Transfer to retained earnings	233,753
Total	-

ad. Treasury shares

Balance in accordance with Greek GAAP	-
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(235)
Total	(235)

ae. Minority interest

Balance in accordance with Greek GAAP	53,587
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	14,173
Other adjustments	(1,461)
Total	66,299

af. Hybrid securities

Recognition of hybrid securities as equity	299,979

ag Interest and similar income

Balance in accordance with Greek GAAP	741,284
Adoption of effective interest rate for loans and advances	1,163
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(302)
Other adjustments	451
Total	742,596

ah. Interest expense and similar charges

Balance in accordance with Greek GAAP	235,946
Reversal of interest expense from hybrid securities that were recognized as equity	(6,914)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	1,108
Other adjustments	49
Total	230,189

ai. Fee and commission income

Balance in accordance with Greek GAAP	187,572
Recognition of transaction fees at the date loans and advances are recorded	(12,973)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	780
Other adjustments	(308)
Total	175,071

aj. Fee and commission expense

Balance in accordance with Greek GAAP	14,661
Recognition of transaction expenses at the date loans and advances are recorded	(4,369)
Recognition of expenses at the date liabilities are recorded	(800)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(139)
Total	9,353

ak. Dividend income

Balance in accordance with Greek GAAP	586
Recognition of dividend income	356
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	335
Total	1,277

al. Gains less losses on financial transactions

Balance in accordance with Greek GAAP	53,407
Valuation of securities held for trading	(7,170)
Valuation of derivatives	(3,396)
Valuation of financial instruments that are off-set	4,307
Adjustment of result relating to disposition of available –for-sale shares	(1,862)
Impairments loss on available-for-sale shares	(2,034)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	6,038
Other adjustments	(415)
Total	48,875

am. Other income

Balance in accordance with Greek GAAP	5,304
Reclassification from extraordinary gain/loss	3,816
Correction of income from Government Grands	(255)
Reclassification to impairment loss on loans and advances	(1,649)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	34,083
Other adjustments	501
Total	41,800

an. Staff costs

Balance in accordance with Greek GAAP	204,553
Recognition of expenses recorded as intangible assets	1,773
Reversal of contributions paid to defined benefit funds	(2,015)
Recognition of expense related to shares options granted to employees	414
Reversal of accrued expenses	(8,248)
Reversal of accrued expense on employee defined benefit programs	(5,577)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	16,530
Other adjustments	(887)
Total	206,543

ao. General administrative expenses

Balance in accordance with Greek GAAP	121,669
Reclassification from extraordinary gain/loss	1,935
Intangibles write-off	39,042
Recognition of transaction costs at the date loans and receivables are recognized	(488)
Reversal of expenses relating to finance lease rent	(276)
Recognition of accrued expenses	6,849
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	12,819
Other adjustments	1,674
Total	183,224

ap. Depreciation and amortization expenses

Balance in accordance with Greek GAAP	44,944
Reversal of depreciation relating to intangibles written-off	(19,805)
Adjustment of depreciation on property and equipment based on their useful lives	(2,873)
Recognition of depreciation on finance leased property	119
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	5,874
Total	28,259

aq. Impairment losses on loans and advances

Balance in accordance with Greek GAAP	106,718
Additional provisions	(46)
Reclassification of recoveries on receivables previously written-off	(1,649)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	1,000
Total	106,023

ar. Other expenses

Balance in accordance with Greek GAAP	983
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(967)
Total	16

as. Share of profit (loss) of associates

Balance in accordance with Greek GAAP	38,094
Associates not equity accounted under Greek GAAP	421
Total	38,515

at. Income tax

Balance in accordance with Greek GAAP	77,390
Deferred tax	(3,959)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	683
Total	74,114

au. Minority Interest

Balance in accordance with Greek GAAP	2,299
Reversal of minority interest share of profits which under IFRS are not considered as expenses for the period	(2,299)
Balance	-

48.3 Consolidated balance sheet and income statement as at 31.12.2004

	Note	Greek GAAP	Reclassifications	Adjustments	Consolidation of entities excluded under Greek GAAP	IFRS
Balance Sheet						
Cash and balance with Central Banks	a	1,755,718	(730)	-	361	1,755,349
Government and other securities eligible for refinancing from Central Banks	b	1,536,758	(1,536,758)	-	-	-
Due from banks	c	5,152,449	73,852	-	(3,477)	5,222,824
Securities held for trading	d	-	158,524	(1,336)	4,914	162,102
Derivative financial assets	e	-	31,309	140,324	-	171,633
Loans and advances to customers	f	22,219,782	190,262	3,150	(132,949)	22,280,245
Securities	g	415,696	(415,696)	-	-	-
Investment securities						
-Available-for-sale	h	-	1,817,801	(18,747)	174,540	1,973,594
Investments in associates	i	-	109,275	(1,912)		107,363
Investments	j	320,270	(133,801)	-	(186,469)	-
Investment property	k	-	23,896	-	3,463	27,359
Property, plant and equipment	l	705,863	(57,230)	6,905	261,229	916,767
Goodwill and other intangible assets	m	103,552	22,621	(98,724)	3,412	30,861
Deferred tax assets	n	-	-	186,413	13,745	200,158
Other assets	o	568,442	(314,959)	(44,139)	179,209	388,553
Prepaid expenses and accrued income	p	138,125	(137,101)	(1,024)		-
Total Asset		32,916,655	(168,735)	170,910	317,978	33,236,808
LIABILITIES						
Due to banks	q	1,542,362	1,953	-	-	1,544,315
Derivative financial liabilities	r	-	86,465	142,480		228,945
Due to customers	s	20,717,486	18,963	(670)	(39,155)	20,696,624
Debt securities in issue and other borrowed funds	t	7,020,449	14,583	(300,553)	(7,401)	6,727,078
Dividends payable	u	174,064	-	(174,064)	-	-
Liabilities for current income tax and other taxes	v	167,643	(7,659)	-	15,566	175,550
Deferred tax liabilities	w	-	-	3,883	-	3,883
Employee defined benefit obligations	x	8,319	19,657	510,341	18,952	557,269
Other liabilities	y	496,627	70,104	57,404	42,470	666,605
Deferred income and accrued expenses	z	374,264	(372,811)	(1,453)	-	-
Provisions	aa	2,363	10	-	286,720	289,093
Total Liabilities		30,503,577	(168,735)	237,368	317,152	30,889,362
EQUITY						
Share Capital		1,274,272	-	-	-	1,274,272
Share premium		-	-	-	-	-
Reserves	ab	930,164	(584,614)	19,545	-	365,095
Retained earnings	ac	412,240	348,728	(383,456)	(11,421)	366,091
Goodwill	ad	(235,886)	235,886	-	-	-
Treasury shares	ae	(18,638)	-	-	(235)	(18,873)
		2,362,152	-	(363,911)	(11,656)	1,986,585
Minority interest	af	50,926		100	12,482	63,508
Total equity		2,413,078	-	(66,458)	826	2,347,446
Total liabilities and equity		32,916,655	(168,735)	170,910	317,978	33,236,808

Income statement 1.1-31.12.2004

	Note	Greek GAAP	Reclassifications	Adjustments	Consolidation of entities excluded under Greek GAAP	IFRS
Interest and similar income	ag	1,542,075	-	1,154	302	1,543,531
Interest expense and similar charges	aw	499,491	-	(14,875)	2,275	486,891
Net interest income		1,042,584	-	16,029	(1,973)	1,056,640
Fee and commission income	ah	384,997	-	(31,926)	1,616	354,687
Fee and commission expense	ai	32,865	-	(9,080)	(30)	23,755
Net fee and commission income		352,132	-	(22,846)	1,646	330,932
Dividend income	aj	5,886	-	(1,140)	855	5,601
Gains less losses on financial transactions	ak	70,343	-	2,972	5,301	78,616
Other income	al	10,816	17,737	(1,832)	87,984	114,705
Total operating income		1,481,761	17,737	(6,817)	93,813	1,586,494
Staff costs	am	393,817	-	(1,547)	30,215	422,485
General administrative expenses	an	255,705	1,694	51,580	29,955	338,934
Depreciation and amortization expenses	ao	93,799	-	(48,284)	11,322	56,837
Impairment losses on loans and advances	ap	224,455	(1,911)	635	6,049	229,228
Other expenses	aq	1,978	-	(3,320)	2,601	1,259
Total operating expenses		969,754	(217)	(936)	80,142	1,048,743
Share of profit (loss) of associates	ax	45,307	-	(1,912)	(5,937)	37,458
Extraordinary income		20,290	(20,290)	-	-	-
Extraordinary expenses		2,167	(2,167)	-	-	-
Extraordinary results		(169)	169	-	-	-
Profit before tax		575,268	-	(7,793)	7,734	575,209
Income tax	ar	159,481	-	(6,782)	10,710	163,409
Net profit before minority interest		415,787	-	(1,011)	(2,976)	411,800
Minority interest	az	4,072	(4,072)	-	-	-
Net profit		411,715	4,072	(1,011)	(2,976)	411,800

Reconciliation of equity 31.12.2004

		Note
Total equity in accordance with Greek GAAP	2,413,078	
Valuation difference of trading securities	(1,336)	d
Valuation difference of derivatives	(2,156)	e,r
Valuation difference of available-for-sale securities	(18,747)	h
Valuation effect on loans and deposits that were off-set	2,650	f,s,t
Adoption of effective interest rate method for loans valuation	(50,896)	f
Additional provision for loans impairment	(6,932)	f
Intangible assets written-off	(98,724)	m
Recognition of property and equipment under finance lease and related liabilities	(151)	k,y
Impairment of foreclosed property	(45,558)	o
Recognition of hybrid securities as equity	297,353	ag
Valuation difference of employee defined benefit obligations	(523,834)	x
Recognition of deferred tax assets and liabilities	196,275	n,w
Reclassification of dividends payable to retained earnings	174,064	u
Adjustment on property, plant and equipment	8,105	l
Adjustment on loans	3,572	f
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	826	ac,ae,af
Valuation difference from investment in associates under equity method	(1,912)	i
Recognition of expenses based on annual valuation		
Other adjustments	1,769	
Total adjustments	(65,632)	
Total equity in accordance with IFRS	2,347,446	

Notes

a. Cash and balances with Central Banks

Balance in accordance with Greek GAAP	1,755,718
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	361
Reclassification to loans and advances to customers	(730)
Total	1,755,349

b. Government and other securities eligible for refinancing from Central Banks

The total amount of € 1,536,758, which consists of debt securities (bonds, treasury bills etc.), was reclassified to financial assets held for trading and available-for-sale securities.

c. Due from banks

Balance in accordance with Greek GAAP	5,152,449
Reclassification of accrued interest relating to interbank placements from other assets	15,584
Reclassification from other assets	58,268
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(3,477)
Total	5,222,824

d. Securities held for trading

Cost of securities reclassified from other categories	155,585
Difference from valuation of securities at fair value	(1,336)
Reclassification of accrued interest from accrued income	2,939
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	4,914
Total	162,102

e. Derivative financial assets

Reclassification from accrued income	29,758
Valuation difference to fair value	140,324
Reclassification of options from other assets	1,551
Total	171,633

f. Loans and advances to customers

Balance in accordance with Greek GAAP	22,219,782
Reclassification of receivables from securities and other assets	317,659
Recognition of receivables relating to discounted interest free installments	57,377
Adoption of effective interest method for valuation	(50,896)
Valuation difference on loans that are off-set	73
Impairment loss	(6,932)
Reclassification from accrued income of accrued interest	56,547
Reclassification from accrued income and expenses of provisions for non interest bearing losses	(164,754)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(132,949)
Reclassification to other assets	(15,023)
Other adjustments and reclassifications	(639)
Total	22,280,245

g. Securities

The total amount of € 415,696 which consists of debt securities (bonds, treasury bills etc.) shares and mutual funds have been reclassified to assets held for trading, available-for-sale securities and investments to associates.

h. Investment securities available-for-sale

Reclassification of carrying amount from securities, investments and government and other securities eligible for refinancing	1,799,356
Valuation difference at fair value	(18,747)
Reclassification of accrued interest from accrued income	18,445
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	174,540
Total	1,973,594

i. Investments in associates

Reclassification from investment and securities	109,275
Valuation difference from equity method accounting	(1,912)
Total	107,363

j. Investments

Balance in accordance with Greek GAAP	320,270
Reclassification to investments in associates	(109,275)
Reclassification to available-for-sale	(19,526)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(186,469)
Reclassification to loans and advances to customers	(5,000)
Total	-

k. Investment property

Reclassification to property and equipment	23,896
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	3,463
Total	27,359

l. Property, plant and equipment

Balance in accordance with Greek GAAP	705,863
Reclassification of software to intangibles	(23,109)
Reclassification to other assets	(10,224)
Recognition of property and equipment under finance leases	114
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	261,229
Reclassification to investment property	(23,896)
Adjustments in depreciation based on assets useful lives	4,512
Other adjustments	2,278
Total	916,767

m. Goodwill and other intangible assets

Balance in accordance with Greek GAAP	103,552
Reclassification of software from tangible assets	23,109
Write-off of intangibles not recognized in accordance with IFRS	(98,724)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	3,412
Reclassification of property and equipment subsequent expenditure	(488)
Total	30,861

n. Deferred tax assets

Recognition of deferred tax assets	186,413
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	13,745
Total	200,158

o. Other assets

Balance in accordance with Greek GAAP	568,442
Reclassification of receivables to loans and advances to customers	(363,765)
Reclassification of arts from own-used property and equipment	9,946
Reclassification of advances from property and equipment	863
Impairment of foreclosed property and equipment	(45,558)
Reclassification of prepaid expenses and accrued income	11,819
Valuation of bonds on trade date	1,396
Reclassification from securities	16,376
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	178,623
Reclassification from loans and advances to customers	15,023
Other adjustments and reclassifications	(4,612)
Total	388,553

p. Prepaid expenses and accrued income

Balance in accordance with Greek GAAP	138,125
Reclassification of accrued interest to related accounts of assets	(93,515)
Reclassification to derivatives	(31,309)
Reclassification to other assets	(11,819)
Other adjustments and reclassifications	(1,482)
Total	-

q. Due to banks

Balance in accordance with Greek GAAP	1,542,362
Reclassification of accrued interest from accrued expenses	1,953
Total	1,544,315

r. Derivative financial liabilities

Reclassification from accrued income and expenses	86,465
Valuation difference at fair value	142,480
Total	228,945

s. Due to customers

Balance in accordance with Greek GAAP	20,717,486
Valuation difference on deposits that are off-set	(670)
Reclassification of accrued interest from accrued expenses	18,963
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(39,155)
Total	20,696,624

t. Debt securities in issue and other borrowed funds

Balance in accordance with Greek GAAP	7,020,449
Reclassification of hybrid securities to equity	(298,646)
Reclassification of accrued interests from accrued expenses	14,583
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(7,401)
Valuation effect difference on debt issued that are off-set	(1,907)
Total	6,727,078

u. Dividends payable

Balance in accordance with Greek GAAP	174,064
Reclassification of dividends payable to retained earnings	(174,064)
Total	-

v. Liabilities for current tax and other taxes

Balance in accordance with Greek GAAP	167,643
Off-set with other assets	(7,072)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	14,979
Total	175,550

w. Deferred tax liabilities

Recognition of deferred tax liabilities	3,883

x. Employee defined benefit obligations

Balance in accordance with Greek GAAP	8,319
Reclassification from other liabilities and other reclassifications	19,657
Recognition of liabilities to the pension plan in accordance with IFRS	510,341
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	18,952
Total	557,269

y. Other liabilities

Balance in accordance with Greek GAAP	496,627
Reclassification from accrued income and accrued expenses	89,816
Recognition of liabilities on credit cards balances at no interest bearing installments	57,377
Recognition of finance lease liabilities	265
Valuation of bonds on trade date	1,290
Reclassification of employee defined benefit obligations	(19,657)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	42,471
Other adjustments and reclassifications	(1,585)
Total	666,604

z. Deferred income and accrued expenses

Balance in accordance with Greek GAAP	374,264
Reclassification to derivatives	(86,465)
Reclassification to other categories of accrued interest	(57,754)
Reclassification of non accrued interest from finance leases to loans	(140,229)
Reclassification of balance to other liabilities	(89,816)
Total	-

aa. Provisions

Balance in accordance with Greek GAAP	2,363
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	286,720
Other reclassifications	10
Total	289,093

ab. Reserves

Balance in accordance with Greek GAAP	930,164
Reclassification of reserves except for statutory reserve to retained earnings	(584,614)
Available-for-sale securities valuation reserve	(18,747)
Reclassification of impairment losses on available-for-sale securities to retained earnings	38,292
Total	365,095

ac. Retained earnings

Balance in accordance with Greek GAAP	412,240
Reclassification of reserves except for statutory reserve to retained earnings	584,614
Reclassification of goodwill	(235,886)
Reclassification of impairment losses on available-for-sale securities to retained earnings	(38,292)
Adjustments due to transition to IFRS	(345,164)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(11,421)
Total	366,091

ad. Goodwill

Balance in accordance with Greek GAAP	(235,886)
Reclassification of goodwill to retained earnings	235,886
Total	-

ae. Treasury shares

Balance in accordance with Greek GAAP	(18,638)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(235)
Total	(18,873)

af. Minority interest

Balance in accordance with Greek GAAP	50,926
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	12,482
Other adjustments	100
Total	63,508

ag. Hybrid securities

Recognition of hybrid securities as equity	297,353
Total	297,353

ah. Interest and similar income

Balance in accordance with Greek GAAP	1,542,075
Use of effective interest rate on loans and advances	4,791
Reclassification of interest from financial assets held for trading to gains less losses on financial transactions	(1,519)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	302
Other adjustments	(2,118)
Total	1,543,531

ai. Interest expense and similar charges

Balance in accordance with Greek GAAP	499,491
Reversal of interest expense from hybrid securities that were recognized as equity	(14,265)
Recognition of interests from finance leases	36
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	2,275
Other adjustments	(646)
Total	486,891

aj. Fee and commission income

Balance in accordance with Greek GAAP	384,997
Recognition of transaction fee income at the date loans and advances are recorded	(31,926)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	1,616
Total	354,687

ak. Fee and commission expense

Balance in accordance with Greek GAAP	32,865
Recognition of transaction cost at the date loans and advances are recorded	(7,435)
Recognition of transaction cost at the date liabilities are recorded	(1.645)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	(30)
Total	23,755

al. Dividend income

Balance in accordance with Greek GAAP	5,886
Reversal of income not recognized	(1,140)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	855
Total	5,601

am. Gains less losses on financial transactions

Balance in accordance with Greek GAAP	70,343
Valuation of securities held for trading	(537)
Valuation of derivatives	7,117
Valuation of financial instruments that are off-set	(527)
Adjustment of result relating to disposition available-for-sale shares	(1,302)
Impairment loss on available-for-sale shares	(2,034)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	5,301
Other adjustments	255
Total	78,616

an. Other income

Balance in accordance with Greek GAAP	10,816
Reclassification from extraordinary gain/loss	17,737
Transfer from reserves of grants	120
Reclassification to impairment losses on loans	(1,911)
Reclassification to general administrative expenses	(1,376)
Adjustment of result on sale of property due to adjusted cost	5,062
Adjustment for income not recognized	(5,841)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	87,984
Other adjustments	2,114
Total	114,705

ao. Staff costs

Balance in accordance with Greek GAAP	393,817
Recognition of expenses recorded as intangible assets	5,997
Reversal of contributions to defined benefit funds	(2,871)
Recognition of expense relating to shares options granted to employees	834
Recognition of Board of Directors fees	5,478
Accrued expense on employee defined benefit programs	(11,155)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	30,215
Other adjustments	170
Total	422,485

ap. General administrative expenses

Balance in accordance with Greek GAAP	255,705
Reclassification from extraordinary gain/loss	1,694
Taxes recognized directly to equity	582
Intangibles write-off	54,260
Recognition of transaction cost at the date loans and receivables are recognized	(1,194)
Reversal of expenses relating to finance lease rent	(1,139)
Reclassification of results from sale of property to income	(1,376)
Reversal of depreciation due to the recognition of the expense	(256)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	29,955
Other adjustments	703
Total	338,934

aq. Depreciation and amortization expenses

Balance in accordance with Greek GAAP	93,799
Reversal of depreciation relating to intangible assets written-off	(43,840)
Adjustment for depreciation on property and equipment based on their useful lives	(4,512)
Recognition of depreciation on finance leased property	207
Reversal of depreciation on other assets recognized at cost less impairment	(139)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	11,322
Total	56,837

ar. Impairment losses on loans and advances

Balance in accordance with Greek GAAP	224,455
Additional provisions	(645)
Write-off of loan loss which was amortized in five years	1,280
Reclassifications of recovery on receivables previously written-off	(1,911)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	6,049
Total	229,228

as. Other expenses

Balance in accordance with Greek GAAP	1,978
Reversal of contributions expenses to defined benefit funds	(1,676)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	2,601
Other adjustments	(1,644)
Total	1,259

at. Share of profit (loss) of associates

Balance in accordance with Greek GAAP	45,307
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP and had been valued with equity method	(5,937)
Adjustments to associates' net assets	(1,912)
Total	37,458

au. Income tax

Balance in accordance with Greek GAAP	159,481
Deferred tax	(5,154)
Recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP	10,710
Other adjustments	(1,628)
Total	163,409

av. Minority Interest

Balance in accordance with Greek GAAP	4,072
Reversal of minority interest share of profits which under IFRS are not considered as expenses for the period	(4,072)
Balance	-

48.4 Consolidated cash flow statement 30.6.2004

	Greek GAAP	Adjustments	**IFRS**
Cash flow from operating activities	(4,086,458)	2,482,100	(1,604,358)
Cash flow from investing activities	(134,257)	(74,626)	(208,883)
Cash flow from financing activities	2,429,557	(2,382,809)	46,748
Effect of exchange rate fluctuations on cash and cash equivalents	-	7,167	7,167
Net increase (decrease) in cash and cash equivalents	(1,791,158)	31,832	(1,759,326)
Cash and cash equivalents at the beginning of the period	7,367,471	(192,226)	7,175,245
Cash and cash equivalents at the end of the period	5,576,313	(160,394)	5,415,919

The material adjustments are due to:

a) the definition of cash and cash equivalents.

According to IFRS, cash and cash equivalents include cash on hand, non-restricted placements with Central Banks and short-term balances due from banks maturing within three months after the date of the financial statements. According to Greek GAAP, cash and cash equivalents include cash on hand, non-restricted placements with Central Banks and all short-term balances due from banks. Additionally, cash and cash equivalents, reported under IFRS, include the recognition of balances relating to subsidiaries that were not consolidated under Greek GAAP.

b) the net increase or decrease in cash and cash equivalents of subsidiaries that were not consolidated under Greek GAAP.

c) reclassifications.