



ANNUAL FINANCIAL REPORT

**For the period from 1st January to 31st December 2009
(In accordance with the Law 3556/2007)**

Athens, 17 February 2010

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I. Statement of the members of the Board of Directors.

We, the members of the Board of Directors of Emporiki Bank of Greece S.A. to the best of our knowledge and belief, state that:

- The Annual Financial Information for the period ended 31 December 2009, has been prepared according to the current accounting standards and present fairly the assets and liabilities, the financial position and the financial performance for the period of the Bank and the Group, as well as the entities that are included in the consolidation.
- The annual Director's report, presents fairly the progress, the performance and the financial position of Emporiki Bank and the Group, as well as the entities that are included in the consolidation, including a description of the main risks and uncertainties that are faced.

Athens, 17 February 2010

Name	Surname	Position	Signature
Jean-Frederic	De Leusse	Chairman	
Alain	Strub	Vice – Chairman and Chief Executive Officer	
George	Spiliopoulos	Executive member	

II. Board of Directors' Report

Directors Report for 2009

I. BUSINESS DEVELOPMENTS

1. INTRODUCTION

Group Net Banking Income in 2009 increased by 5% y-o-y to €751 million. Gross Operating Income increased by 41.4% y-o-y to €104.2 million. Group Net Losses amounted to €582.6 million mainly due to the worsening macroeconomic environment and the alignment of risk management with Credit Agricole's standards.

On the liabilities side, Core Deposits were increased by 12% y-o-y. This increase indicates the trend for an improved deposit mix shifting towards core deposits - over time deposits. Overall deposit volumes were narrowed by 16% y-o-y to €14.9 billion.

Loans marginally retreated to €22.7 billion (adjusted for write offs) at bank level versus €22.9 billion y-o-y.

The Cost of Risk of Q4 09 further decelerated to €138.4 million, down by 14% versus Q3 09, as a result of the full centralisation of the new production. As planned, the enhanced implementation of credit control initiatives and collection processes has improved the overall quality of loan portfolio, following the -close to completion- alignment with Credit Agricole's standards.

In Q4 09 the restructuring efforts of Emporiki continued unabated in line with the Restructuring and Development plan. Group Net Banking Income was €199.2 million, 5% lower than in Q3, posting though a 3% increase q-o-q if calculated pro forma for non-recurring items. Group Net Interest Income showed an increase by 6% q-o-q to €154.6 million, mainly following the improvement of the deposit mix and the constant monitoring of loans portfolio, despite the adverse economic environment.

Following the implementation of an effective pricing policy, average interest spread increased to 2.03% in Q4 2009 from 1.88% in Q3 at bank level. Group Net Fee and Commissions Income for the quarter marginally retreated to €28.2 million due to the new set of constraints imposed on pricing by the regulatory framework and the low commercial activity. Other Income incorporated a €14 million one-off gain from the sale of properties, versus capital gains of €28 million in the previous quarter from the transfer of real estate and the Phosphoric Fertilizers Industry.

Group Operating Expenses registered a 9% increase Q4 on Q3 to €170.9 million due to elevated transformation costs and the one-off social responsibility tax and land registry levy of €4.3 million related to Greek government measures. Nonetheless, Operating Expenses, excluding transformation costs and non-recurring items, decreased by 6% q-o-q following further implementation of cost containment measures.

Quarterly Gross Operating Income for the Group deteriorated to €28 million from €52.6 million in Q3, posting a 13% increase compared to Q3, pro forma for non-recurring items.

Quarterly Net Losses decreased to €110.5 million compared to €113 million in Q3.

The transfer of the Group's participation in five domestic subsidiaries to the corresponding Credit Agricole Group product factories was completed as announced in Q4, for a total consideration of €123.1 million. The respective stakes in the subsidiaries sold were: 1) Emporiki Credicom Bank S.A. (50%), 2) Emporiki Life Insurance Company S.A. (50%), 3) Emporiki Insurance Hellenic Insurance Company S.A. (50%), 4) Emporiki Leasing S.A. (80%) and 5) Emporiki Asset Management M.F.M.C. (73,1%). The capital gain from these transactions amounted to €7.7 million.

2. MAIN FIGURES

BUSINESS VOLUMES - DECEMBER 2009 (Emporiki Bank solo)

<i>(€ million)</i>	Dec. 2009	Dec. 2008	Ch (%)
Total Loans* (Bank only)	22,664	22,952	-1.3%
Mortgages (incl. mortgages to professionals)	7,714	7,871	-2.0%
Consumer credit	2,387	2,416	-1.2%
Business sector	12,564	12,665	-0.8%
- of which SBs & SMEs	5,509	6,093	-9.6%
Total Deposits (Bank only)	14,915	17,775	-16.1%

* 2008 figures are on a proforma basis for write-offs performed in 2009

2009 INCOME STATEMENT (Emporiki Group)**

Key figures

<i>(€ million)</i>	2009	2008	Ch (%)	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net interest income	541.7	620.4	-12.7%	154.6	145.2	127.6	114.3
Fee and commission income	119.2	127.8	-6.8%	28.2	28.8	31.6	30.6
Other income	90.1	-32.8	374.8%	16.3	34.6	34.3	4.8
Net banking income	750.9	715.5	5.0%	199.2	208.7	193.5	149.6
Staff expenses	-444.1	-435.1	2.1%	-116.9	-99.5	-121.0	-106.7
Depreciation	-25.9	-27.7	-6.5%	-5.7	-7.1	-6.8	-6.2
Other operating expenses	-176.7	-179.0	-1.3%	-48.2	-49.4	-41.3	-37.7
Total Expenses	-646.7	-641.8	0.8%	-170.9	-156.1	-169.1	-150.6
Gross Operating Income	104.2	73.7	41.4%	28.3	52.6	24.3	-1.0
Provisions	-658.4	-486.3	35.4%	-138.4	-160.1	-187.1	-172.8
Operating Results	-554.2	-412.5	-34.3%	-110.1	-107.5	-162.8	-173.8
Share of Profit (Loss) of Associates	-0.6	7.2	-108.2%	0.2	0.0	0.0	-0.7
Results before taxes	-554.8	-405.4	-36.9%	-109.9	-107.6	-162.8	-174.5
Income tax expense	-21.7	-95.1	-77.1%	-5.3	-3.4	-19.6	6.5

Results after taxes – Continuing operations	-576.5	-500.5	-15.2%	-115.2	-110.9	-182.3	-168.0
Results – discontinued operations	-6.6	8.6	-177.4%	4.3	-2.3	-8.0	-0.6
Results after taxes	-583.2	-491.9	-18.6%	-110.9	-113.3	-190.3	-168.7
Attributable to minority interests	-0.6	-0.2	-272.0%	-0.4	0.1	-0.3	0.0
Results after taxes & minorities	-582.6	-491.8	-18.5%	-110.5	-113.3	-190.1	-168.7

** 2008 and prior quarter figures are on a proforma basis

RATIOS

	2009	2008Ch		Q4 2009	Q3 2009	Q2 2009	Q1 2009
Cost to income	86.1%	89.7%	-3.6%	85.8%	74.8%	87.4%	100.6%
Loans / Deposits (Bank only)	152.0%	129.7%	22.3%	152.0%	148.0%	141.6%	134.9%

BUSINESS VOLUMES OVERVIEW

Total **Loans**¹ at the end of December 2009 amounted to €22.7 billion, recording a marginal y-o-y decrease of 1.3%, affected by the overall slow down of the credit expansion in Greece. Loans to households decreased y-o-y by 1.8% to €10.1 billion, while Business loans decreased y-o-y by 0.8% to €12.6 billion.

Customer Deposits of the Bank presented a decreasing trend and amounted to €14.9 billion, following the Bank's decision to favor a more balanced deposit structure. Saving deposits evolution evolved consistently with this decision and stood at €6.4 billion, presenting a y-o-y increase of 12.2%, fully in line with prevailing market trends, after the successful implementation of commercial campaigns.

Group Equity at the end of December 2009 stood at € 1,138 million.

FY 2009 RESULTS OVERVIEW

Net Banking Income: €750.9 million, +5.0% y-o-y. The positive trends in Net Banking Income, firstly presented in Q2, continued during the last quarter of the year, when Net Banking Income amounted to **€ 199.2 million**, recording a y-o-y increase of 27.4%, comparing to Q4 2008.

- **Net Interest Income** was €541.7 million, down by 12.7% y-o-y, due to the remaining stock of high-cost time deposits attracted during the last quarter of 2008 and the first months of 2009, as well as the increase in the proportion of loans which do not accrue interest. Comparing to Q3 2009, Q4 Net Interest Income (€ 154.6 million) presented a q-o-q **increase by 6.5%**, mainly due to the decrease in time deposit cost and the adoption of a more balanced deposit

¹ Emporiki Bank solo - Gross Loans to customers, excl. advances and accrued interest

mix. For the first time in 2009, quarterly Net Interest Income is also improved comparing to the same quarter of the prior year, indicating the restoration of the net interest margin.

- **Net Fee Income** presented a **y-o-y decrease** by 6.8% and amounted to €119.2 million, due to some pricing constraints imposed by new regulatory decisions, low activity in funds under management and the cost of the received financial guarantees. A stable trend is presented comparing to the previous quarter of 2009 (Q3 and Q4 2009 fee income was around €29 million).
- **Other operating income** amounted to €90.1 million, significantly higher than the 2008 respective period (losses of €32.8 million in 2008). In 2009 other operating income benefited from a series of transactions related with the sale of the Bank's property (€40mln), capital gains from the repayment of senior bonds (€27mln) and from the sale of associates (€2mln), while 2008 had suffered from trading losses due to the negative market conditions.

Total expenses, excluding provisions, **remained at 2008 levels**, presenting a marginal y-o-y increase of 0.8%, and they amounted to €646.7 million. On a q-o-q basis, Q4 2009 expenses (€170.9 million) increased comparing to Q3 2009 (€156.1 million), due to higher transformation costs.

- **Staff expenses** increased y-o-y by 2.1% to €444.1 million, partly due to technical reasons following the booking of adjustments required for staff loans (y-o-y increase of pro forma staff costs was 1.6%).
- **Other operating expenses**, including depreciation, presented a decrease of 2% comparing to 2008 and amounted to €202.6 million, a result of the strict control and the one-off positive impact of the adjustment made in Q1 2009 for the valuation fees of prior years (€6 million). Other expenses also appear decreased on a q-o-q basis, since Q4 2009 charges (€53.9 million) are by 4.7% lower comparing to the previous quarter of 2009.

Gross Operating Income: €104.2 million, +41.4% y-o-y, as the result of the improvement of Net Banking Income and the tight control of operating expenses.

2009 Impairment Provisions amounted to €658.4 million, increased by 35.4% y-o-y.

Q4 2009 provisions (€138.4 million) presented a q-o-q **decrease of 13.5%** comparing to Q3 2009, reflecting the resilience of the positive signs in overdue loans and defaults, firstly presented in Q3 2009.

Results from discontinued operations (losses of €6.6 million) refer to the five local subsidiaries sold to the respective CASA Group product factories and comprise of capital gains from the disposal of € 7.7 million and losses of operations of €14.3 million, due to increased cost of risk charges.

II. MAIN EVENTS

The Extra-Ordinary General Meeting of its Shareholders on 14th December 2009 decided the decrease of the Share Capital of the Bank by the amount of partially written off accumulated accounting losses amounting to 1,290,816,792-€ by reduction of the share's nominal price from 5.50-€ to 1.00€ and the simultaneous Increase of the Share Capital of the Bank by payment in cash of the amount of 989,421,312.51.-€, by issue and offer of 225,380,709 new, common, intangible, registered with vote rights shares of the Bank of nominal value 1.00.-€ each and offer price 4.39.-€ for each share. For those new shares and for the whole amount of the share capital increase pre-emptive right is provided to the shareholders existing at the record date (the date of the determination of the beneficiaries), which is the second working day after the ex rights date.

IV. FUTURE OUTLOOK

The 2009 results were significantly and adversely affected by the deteriorating environment.

Assuming there is no further deterioration in market conditions, the Bank expects a gradual recovery based on its existing exposures and positioning.

Emporiki has limited exposure to the economies in the Balkans and Cyprus where it has adopted a cautious balanced organic growth strategy.

IV. RISKS AND UNCERTAINTIES

1. Uncertainties

Being in a recessionary phase since 2009, public finance imbalances of the Greek economy in combination with a series of adverse developments occurring mostly in the last quarter of 2009 have put forward greater challenges to the banking system and particularly to the area of Risk Management. Specifically, the recent downgrading of Greece by international rating agencies widens the uncertainty concerning the liquidity of the financial institutions, the level of capital adequacy and the functioning of the financial system.

Emporiki Group faces the above challenges in the context of a global framework Group Risk Strategy. Its main strategic target is the effective management of the total undertaken risks in order to ensure an efficient use of capital in relation to risk appetite as well as business development.

2. Risks

Emporiki Group in the course of its activities is exposed to a variety of risks, the most

important of which being the credit risk, including concentration risk, liquidity risk and interest rate risk in the Banking Book and market risk.

a. Credit Risk

Credit risk is defined as the risk of losses arising because counterparties fail to meet all or part of their payment obligations to the Group. Concentration risk arises from an uneven distribution of credit exposures to specific groups of counterparties, sectors of economic activity, geographical regions or countries.

i) Internal Risk Rating Models and Centralization

Emporiki Group assigns particular importance to the management of credit risk. The re-foundation of the credit decision making process, through centralization of the credit-granting procedure and the implementation of up to date risk rating tools, in combination with a close risk monitoring and improved loan recovery function are among the focal points in the updated Group Risk Strategy and in the approved Restructuring and Development plan released in Q42009. In particular:

▪ Internal Risk Rating Tools

Emporiki assigns significant priority to the development and implementation of internal risk rating tools that identify the level of risk associated with borrowers' creditworthiness based on specific characteristics per type of exposure. This effort is aligned with the requirements imposed by the reform of capital adequacy ratios for banks (Basel II – Capital Requirements Directive) and the CASA norms. The internal risk rating models can be divided into the following categories, according to portfolio segment:

- For *Large Corporate and SMEs portfolios*, Emporiki applies Anadefi which constitutes the CASA Group rating system for corporate customers.
- For *Small Businesses and Professionals portfolio*, Emporiki is in the process of implementing advanced rating models to assess more efficiently SBLs and Professionals portfolios' creditworthiness. Moreover, within this segment an application scorecard for specific product lines has been utilized.
- For *Individuals portfolio*, new or re-developed application scorecards are under an implementation phase per product. Additionally, a new behavioral scorecard, developed in cooperation with CASA is already implemented and it will be functional in the credit procedure at the beginning of 2010. The Risk Management division validates and calibrates all rating tools.

▪ Centralization of credit decision making progress

Centralization of the credit approval process, which is amongst the main strategic orientation of the bank, has been achieved for retail portfolio. The centralization of retail credit approvals and processes has significant benefits beyond cost of risk since it ensures compliance to scorecard criteria, reduces and monitors operational risk, releases time at the branches, establishes a uniform and positive customer experience and improves efficiency with the realization of economies of scale.

Moreover, the Risk Management Unit issues independent credit risk opinions on all credit applications in order to identify major credit risk exposures. Complementary, a

system of authorizations for lending, differentiated by business unit and hierarchy of delegation, in combination with a comprehensive set of credit policy rules and risk guidance per business segment contribute to the attainment of optimal organizational results through the minimization of the Bank's overall exposure to risk.

- **Stress test as an integral part of credit risk management.**

Credit risk monitoring and mitigation is furthermore accomplished through the implementation of stress testing techniques evaluating on a regular basis the direct impact of changes in key macroeconomic variables to Bank's credit quality indicators. Stress tests are implemented according to the requirements set by BoG and CASA, with supplementary exercises for internal assessment.

ii. Limits

As specified by the Group's Risk Strategy, global and individual limits are approved for maximum exposures to counterparties/group of counterparties, sector and country risks at Group level. Close monitoring of the credit portfolio is achieved through close follow up of deteriorating credits, monitoring of early warning indicators and portfolio reviews and systemic plus specific controls.

iii. Provisioning Policy

Due to the economic crisis, impairment charges increased significantly throughout the year. Emporiki Group continues to pursue a strategy of adequate coverage ratios, which remained roughly at the same levels during the year despite the degradation of the portfolio quality, a common feature of the Greek banking system for 2009 as an outcome of the economic crisis. According to the Restructuring and Development plan of Emporiki Group cost of risk is targeted to be contained below 100 basis points from 2011 onwards.

b. Market Risk

Market risk defined as the risk of loss in the fair value of financial instruments, arising from adverse movements in market rates such as interest rates, foreign exchange rates, equity and commodity prices, and their volatilities.

Since Emporiki's core business is not significantly exposed to trading activities, market risk arises mainly from market-making activities in the Greek government bond market. A crucial part of market risk management is the hedging strategy which aims to cover interest rate risk exposures, thus reducing the overall market risk and the capital allocating to that risk type at low levels.

The Bank monitors on a daily basis the market risks of its trading and available for sale portfolio. The Bank employs in-house monitoring systems to assess on a daily basis the Maximum Potential Loss (Value at Risk-VaR), which may result under normal conditions from the trading and available for sale portfolio. The method employed is the Historical Simulation, using a 1-day horizon and a confidence interval of 99%. The VaR model is certified by the Bank of Greece since 2006.

To control the risk undertaken, the Bank imposes overall and sub-portfolio VaR limits on its trading book and available for sale book. Those limits are reviewed at least annually and approved by the Assets and Liabilities Committee and reflect the Risk Strategy for low appetite in market risk exposures.

Emporiki Bank performs Back Testing in order to confirm the effectiveness of the Value at Risk model. To assess the risks, which may arise from extreme changes in the markets, the Bank has developed a crisis simulation program (Stress Testing).

c. Liquidity and Interest Rate Risk in the Banking Book

Emporiki Bank systematically monitors and manages the Liquidity Risk and the Interest rate risk in the Banking portfolio applying methodologies and norms for calculating interest-rate and liquidity gaps consistent with Crédit Agricole's standards and norms.

Additionally the Bank has established relevant limits and is implementing stress scenarios and simulations in order to estimate the impact on net interest income, economic value of equity, capital adequacy and liquidity shortages. Emporiki bank also applies liquidity stress scenarios in the context of the supervisory framework by the Bank of Greece.

d. Other Risks

i. Transformation Programme

If any delay occurs in the realization of the interventions within the framework of the reconstruction that it is made in the Unit, it will have a bad effect in the results and in its financial position and it will deteriorate its place against competition.

ii. Obligations to pension funds

The submission of the Auxiliary Pension Fund (TEAPETE) for the Bank's employees to the provisions of the laws 3371/2005 and 3455/2006 resulted to a) the diminution of the Bank's disadvantage to pay higher social contributions and b) the transparency regarding the estimated actuarial loss of the Bank.

Following the provisions of the new law 3371/2005, an economic study was performed by independent specialized actuaries, in order to determine the cost of including TEAPETE into the above-mentioned auxiliary funds (IKA-ETEAM and ETAT). This economic study was completed within the 1st quarter of 2006 and was approved by the relevant committee of the Ministry of Economy and Finance and it was ratified by law (L. 3455/2006). According to the study the Bank will pay to IKA-ETEAM and ETAT, for its pensioners a special contribution of €786,3 millions in total (upfront or within a period of 10 years bearing an interest rate of 3,53%). In addition, the Bank will be obliged to pay additional contributions compared to those defined by ETEAM regulations for its employees hired before 31/12/2004 through to retirement. The terms of the payment of the increased contributions were not defined by Law 3371/2005 but were

established following a ministerial decision IKA Φ20203/19189/931/7.11.06. The Bank proceeds to the payment of the scheduled installments as these were defined in the economic study mentioned above. The outstanding balance of the liability as at 31.12.2009 was € 408.2 millions.

The Employee Union has litigated the aforementioned submission and has proceeded relevant legal actions. For one legal action, which was discussed in the First Instance Court of Athens, the ruling was issued, number 116/2008, and judged that the provisions of Law 3455/2006 are unconstitutional and the termination of employee contracts relating the Bank, the Employee Union and the TEAPETE is abusive. The Bank has proceeded legal action against the aforementioned court ruling which was discussed on 24.03.2009. During the aforementioned trial the Greek State has proceeded intervention in favor of the Bank. The Court of Appeal judgment number 4007/2009 (published 30.06.2009) rejected the Bank's appeal and validated the First Instance judgment. On December 2009, the Bank has appealed before the Supreme Court of Appeal and the determination of the hearing date is still waited. The economic impact of the judgment cannot be currently assessed.

V. OTHER INFORMATION

Regarding information provided by art. 43a and 107 of Law 2190/1920 about:

- The targets and the Bank's policy, as far as risk management, including hedging policies and practices of any significant type of transaction, for which hedge accounting is applied,
- The exposure of the Bank in market, credit, liquidity and cash flow risk,
- Transactions between the Bank and related parties, under the framework of IAS 24, and
- Any significant event after the completion of this report,

analytical information is provided in the Notes of the Financial Information of the Bank.

VI. REPORT OF LAW 3556/2007 (Art. 4)

The present explanatory report of the Board of Directors to the Ordinary General Assembly of its Shareholders includes information as standing on 31.12.2009 pursuant to the provisions of L.3556/2007, Art. 4.

a) Share Capital Structure

The share capital of the Bank amounts up to 1.577.664.968,00.- euro, divided to 286.848.176 shares of nominal value 5,5 euro each. All the shares are listed for negotiation to the Athens Stock Exchange. The shares of the Bank are common nominal, with the right to vote. Each share of the Bank includes all the rights and obligations, which are specified by the Law and the Articles of Association of the Bank, the latter of which does not include more restrictive provisions than those provided by the Law.

The registration of a person as a shareholder at the records of Hellenic Stock Exchange S.A. implies, de jure, the acceptance of the Articles of Association of the Bank and of the legal decisions of the competent bodies of the Bank.

The liability of the shareholders is limited to the amount of the nominal value of the shares which they possess and they participate in the management and the profits of the Bank in dependence to and in accordance with the provisions of the Law and the Articles of Association.

All rights and obligations deriving from each share are binding upon and inure to the benefit of every successor of the shareholder. The shareholders participate in the management, the distribution of profit, the distribution of the Company's assets in the event of its winding up, in accordance with the number of shares they possess and pursuant to Law and the provisions of the Articles of Association. The shareholders exercise their rights in relation to the Management of the Company through the General Assemblies and pursuant to Law.

b) Limitations to the transfer of shares of the Bank

The transfer of Bank's shares takes place pursuant to law and there are no other limitations to the transfer arising out of its Articles of Association.

c) Important direct and indirect participations in the sense of the provisions of the Presidential Decree 51/1992

- Credit Agricole S.A. holds (dated 31.12.2009) 86,491% of the share capital of the Bank.
- The company SACAM INTERNATIONAL SAS holds (dated 31.12.2009) 5,00% of the share capital of the Bank.

d) Holders of any kind of shares which provide special rights of control

The Bank does not have any shares that provide to its holders special rights of control.

e) Limitations to the right to vote

The Articles of Association of the Bank do not impose any limitations to the right to vote.

f) Agreements between the shareholders of the Bank

To the knowledge of the Bank there are not any agreements between its shareholders, which impose limitations to the transfer of its shares or to the exercise of the right to vote deriving from its shares.

g) Regulations regarding the appointment and the replacement of members of the Board of Directors and the amendment of the Articles of Association

The regulations provided by the Articles of Association of the Bank in relation to the appointment and the replacement of members of the Board of Directors as well as in relation to the amendment of provisions of the Articles of Association do not differ from the provisions of codified law 2190/1920.

h) Competence of the Board of Directors or of some of its members for the issuance of new shares or the purchase of its own shares

Following a decision of the General Assembly, article 6 of the Articles of Association gives the Board of Directors the right to proceed to an increase of the share capital by the issuance of new shares. In addition, the purchase of its own shares is possible pursuant to article 16 of the codified law 2190/1920. On the basis of Article 13 of the codified law 2190/1920 it is also provided that it is possible to enact a stock options project to the members of the Board of Directors and to the personnel through the granting of stock options rights. No stock options project is in force.

i) An important agreement that has been concluded by the Bank and which is in force can be modified or ceases to exist in the event of a change in the control of the Bank, following a public offer and the results of this agreement, unless, due to its nature, rendering public of the agreement would cause serious damage to the Bank

There is no such agreement.

j) Any agreement that the Bank has concluded with the members of the Board of Directors or with its personnel and which allows compensation in the event of resignation or dismissal without a grounded reason, or the termination of the service or of their occupation due to public offer.

There are no such agreements between the Bank and the members of its Board of Directors or with its personnel which provides the payment of compensation especially

in the event of resignation or dismissal without a grounded reason, or for the termination of their service or of their occupation due to public offer.

VII. Transactions with Related Parties (IAS 24 & Article 2, § 4 of law 3016/2002 Report)

The transactions of Emporiki Bank of Greece S.A. with the related parties, according to the meaning of the paragraph 5 of the article 42e of the Law 2190/1920, have as follows:

Emporiki Bank's intragroup transactions with affiliated companies

Associates	Participation Percentage	Assets	Liabilities	Revenues	Expenses
Euler Hermes Emporiki	28,71%			1.227	28
Total Intragroup transactions with associates		0	0	1.227	28
Subsidiaries	Participation Percentage	Assets	Liabilities	Revenues	Expenses
Emporiki Bank - Germany Gmbh	100%	-	18.082	(274)	-
Emporiki Bank - Romania S.A.	99,41%	83.213	3.717	2.587	4
Emporiki Bank - Bulgaria A.D.	100%	150.114	79	4.930	-
Emporiki Bank - Albania S.A.	100%	102.250	1.136	4.176	-
Emporiki Bank - Cyprus L.T.D.	91,92%	323.733	133.302	4.584	179
Emporiki Development & Real Estate Management	100%	421	51.128	(8.144)	1.431
Emporiki Management S.A.	100%	65	3.550	(218)	172
Greek Industry of Bags	58,71	-	184	(25)	
E.V.C. Emerging	100%	-	21.218		
Emporiki Group Finance P.L.C.	100%	938	2.843.223	(124.120)	-
Total Intragroup transactions with subsidiaries		660.734	3.075.619	(116.504)	1.786

Emporiki Bank's intragroup transactions with parent company group

	Assets	Liabilities	Revenues	Expenses
Credit Agricole S.A.	1.709.493	7.120.667	(42.080)	56.706
Credit Agricole Cairo	-	31.950	-	9
Calyon S.A.	44.199	104.919	(4.274)	13
Total Intragroup transactions with parent group companies	1.753.692	7.257.536	(46.354)	56.728
Total Intragroup transactions	2.414.426	10.333.155	(161.631)	58.542

The transactions of Emporiki Bank of Greece S.A. with the members of the Board of Directors and Executive Committee have as follows:

	<u>2009</u>	<u>2008</u>
Board of Directors and Executive Committee fees *	5.773	4.798
	<u>31/12/2009</u>	<u>31/12/2008</u>
Deposits	1.128	2.262
Loans	<u>988</u>	<u>159</u>
	<u>2.116</u>	<u>2.421</u>

The above-mentioned figures have been grouped with the general criterion of the effect in the results of the Bank (Profit and Loss) but also in the Balance Sheet (Assets and Liabilities according to the date reference), and in a specified column information is provided for the Bank's participation percentage in the shareholding of each entity (directly or indirectly).

Intragroup transactions are common banking practices needed to provide support and collaboration between the related parties (to ensure liquidity, to use networks, to support activities by providing services or personnel, etc).

Finally, it is stated that the amounts of the abovementioned figures are expressed in thousands of euros.

Athens, February 17, 2010

The Board Chairman

The Vice Chairman & CEO

**III. Independent Auditors' Report and Group Financial Statements as at
31.12.2009**



Emporiki Bank

CRÉDIT AGRICOLE GROUP

**CONSOLIDATED
FINANCIAL STATEMENTS**

AS AT 31-12-2009

In accordance with International Financial Reporting Standards

Athens, 17th February 2010

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[Translation from the original text in Greek]

Independent Auditor's Report
To the Shareholders of Emporiki Bank of Greece S.A.
Reg. No. 6064/06/B/86/03

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Emporiki Bank of Greece S.A. (the "Bank") and its subsidiaries (the "Group") which comprise the consolidated balance sheet as of 31 December 2009 and the consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the system of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2009, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Without qualifying our opinion, we draw attention to note 32 of the accompanying consolidated financial statements, which describes events following the adoption of Law 3371/2005 (Social Security Regulation of Banking Institutions) by the Bank and the uncertain final outcome of related litigation.

Reference to Other Legal Matters

We verified the agreement and correspondence of the content of the Board of Directors' report with the accompanying financial statements, in the context of the requirements of articles 43a, 107 and 37 of Law 2190/1920.

Athens, 17 February 2010
The Certified Auditors – Accountants

The Certified Auditor – Accountant

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers
Certified Auditors – Accountants
268 Kifissias Avenue, Halandri 152 32
SOEL Reg. No. 113

Dimitris Sourbis
SOEL Reg. No. 16891

Statement of Comprehensive Income

	Note	01/01 - 31/12/2009	01/01 - 31/12/2008*
Interest & similar income		1.103.531	1.644.657
Interest expense & similar charges		<u>(561.832)</u>	<u>(1.024.246)</u>
Net interest income	6	541.699	620.411
Fee & commission income		142.018	148.081
Fee & commission expense		<u>(22.864)</u>	<u>(20.248)</u>
Net fee & commission income	7	119.154	127.833
Dividend income	8	567	7.094
Net trading results	9	12.415	(48.755)
Gains less losses from investment securities	10	1.059	(2.200)
Other operating income	11	<u>76.023</u>	<u>11.112</u>
Net operating income		750.917	715.495
Staff costs	12	(444.133)	(435.123)
Depreciation & amortization	24,25,26	(25.863)	(27.672)
Impairment losses on loans and advances	20	(650.682)	(466.641)
Other provisions		(7.751)	(19.617)
Other operating expenses	13	<u>(176.688)</u>	<u>(178.991)</u>
Total operating expenses		(1.305.117)	(1.128.044)
Share of (loss) / profit of associates		(588)	7.177
PROFIT / (LOSS) BEFORE INCOME TAX		<u>(554.788)</u>	<u>(405.372)</u>
Income tax expense	14	<u>(21.742)</u>	<u>(95.119)</u>
PROFIT / (LOSS) AFTER TAX - Continuing Operations		<u>(576.530)</u>	<u>(500.491)</u>
Profit / (loss) - discontinued operations	41	<u>(6.640)</u>	<u>8.580</u>
PROFIT/ (LOSS) AFTER INCOME TAX		<u>(583.170)</u>	<u>(491.911)</u>
Equity holders of the Bank		(582.585)	(491.754)
Minority interest		(585)	(157)
Net change in available-for-sale securities		58.703	(154.763)
Foreign exchange differences		<u>(5.858)</u>	<u>(5.936)</u>
Other comprehensive income for the year net of tax		52.845	(160.699)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(530.325)</u>	<u>(652.610)</u>
- Equity holders of the Bank		(529.730)	(652.440)
- Minority interest		(595)	(170)
Basic earnings/(losses) per share from continuing operations (in Euro)	15	(2,4654)	(3,7769)
Basic earnings/(losses) per share from discontinued operations (in Euro)	15	(0,0289)	0,0661

* Several figures of 2008 have been adjusted for comparison reason (Note 44)

Notes on pages 8 to 53 form an integral part of these consolidated financial statements.

Statement of Financial Position

	<u>Note</u>	<u>31 December 2009</u>	<u>31 December 2008</u>
ASSETS			
Cash and balances with Central Bank	16	1.085.351	895.375
Treasury bills		254.592	27.192
Due from other banks	17	2.529.556	2.092.861
Trading securities	18	91.377	612.258
Derivative financial instruments	19	73.313	67.451
Loans and advances to customers	20	22.124.167	23.709.823
Available-for-sale securities	21	1.226.648	1.626.017
Held-to-maturity securities		45.043	57.311
Investments in non consolidated subsidiaries	22	1.603	4.211
Investments in associates	23	1.976	28.539
Intangible assets	24	13.180	13.600
Property, plant and equipment	25	264.456	339.780
Investment property	26	117.497	104.788
Deferred tax assets	36	285.268	272.759
Income tax advance		2.462	9.874
Other assets	27	307.302	166.783
Total Assets		28.423.791	30.028.622
LIABILITIES AND EQUITY			
Liabilities			
Due to other banks	28	7.397.685	3.954.388
Derivative financial instruments	19	136.055	133.580
Due to customers	29	15.493.779	18.364.436
Debt securities in issue	30	2.333.624	5.529.799
Other borrowed funds	31	1.071.949	813.970
Due to State pension funds	32	408.264	481.810
Personnel leaving indemnities	33	4.255	4.973
Insurance reserves		-	75.908
Other provisions	34	195.259	166.824
Current tax liabilities		2.267	5.590
Deferred tax liabilities	36	6.038	10.861
Other liabilities	35	236.098	239.603
Total Liabilities		27.285.273	29.781.742
Equity			
Share Capital	38	1.577.665	728.153
Cash advance for Share Capital increase	38	600.000	-
Share premium		360.906	371.404
Other reserves		565.884	527.472
Retained Earnings / (Losses)		(1.385.546)	(907.842)
Results for the year		(582.585)	(491.754)
		1.136.324	227.433
Minority interests		2.194	19.447
Total Equity		1.138.518	246.880
TOTAL LIABILITIES AND EQUITY		28.423.791	30.028.622

Notes on pages 8 to 53 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Currency Translation differences	Other reserves	Retained Earnings/ (losses)	Total	Minority interests	Total
Balance as at 1 January 2008	728.153	371.464	(9.597)	697.419	(906.667)	880.772	7.783	888.555
Appropriation of 2007	-	-	-	755	(775)	(20)	-	(20)
Share capital increase expenses		(60)	-	-	-	(60)	-	(60)
Changes in subsidiaries shareholding structure	-	-	-	(419)	(400)	(819)	11.834	11.015
Total comprehensive income after income tax:								
- Profit for the year	-	-	-	-	(491.754)	(491.754)	(157)	(491.911)
- Available-for-sale valuation	-	-	-	(154.763)	-	(154.763)	-	(154.763)
- Foreign exchange differences	-	-	(5.923)	-	-	(5.923)	(13)	(5.936)
Balance as at 31 December 2008	728.153	371.404	(15.520)	542.992	(1.399.596)	227.433	19.447	246.880
Balance as at 1 January 2009	728.153	371.404	(15.520)	542.992	(1.399.596)	227.433	19.447	246.880
Appropriation of 2008	-	-	-	55	(55)	-	-	-
Share capital increase	849.512	(10.591)	-	-	-	838.921	-	838.921
Cash advance for Share Capital increase	600.000	-	-	-	-	600.000	-	600.000
Changes in subsidiaries shareholding structure	-	-	-	-	(300)	(300)	300	-
Subsidiaries' disposal	-	93	-	(14.498)	14.405	-	(16.958)	(16.958)
Total comprehensive income after income tax:								
- Profit for the year	-	-	-	-	(582.585)	(582.585)	(585)	(583.170)
- Available-for-sale valuation	-	-	-	58.703	-	58.703	-	58.703
- Foreign exchange differences	-	-	(5.848)	-	-	(5.848)	(10)	(5.858)
Balance as at 31 December 2009	2.177.665	360.906	(21.368)	587.252	(1.968.131)	1.136.324	2.194	1.138.518

Notes on pages 8 to 53 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Period ended 31st December	
	2009	2008
Profit / (loss) before tax	(554.788)	(405.372)
<u>Adjustment for reconciliation of period result to cash flows from operating activities</u>		
<u>Adjustments for non cash items included in profit and loss for the period</u>		
Impairment of subsidiary	107	-
Profit from disposal of associate company	(1.958)	-
Depreciation and amortization	25.863	27.672
Provision for credit risks	664.252	478.216
Other provisions	7.752	19.617
Evaluation & accrued interests of derivative financial instruments	(3.387)	65.936
Accrued interests	(58.440)	33.563
Net (profit)/ loss from investment portfolio	792	2.200
Net (profit)/ loss from sale of fixed assets	(39.808)	384
Net (profit)/ loss from prepayment of bond issues	(27.274)	-
Share of (profit) / loss of associates	588	(7.177)
	568.487	620.411
<u>Net (increase)/ decrease of operating assets</u>		
Obligatory deposits to Bank of Greece	(234.084)	(293.668)
Due from other banks	101.305	99.712
Trading securities (less government bonds)	413.514	775.244
Loans and advances to customers (net of write-offs)	272.201	(4.644.219)
Other assets	(25.372)	766
	527.564	(4.062.165)
<u>Net increase/(decrease) operating liabilities</u>		
Due to other banks	3.406.563	409.970
Due to customers	(2.815.087)	196.242
Other liabilities	563	(130.927)
Personnel indemnities	75	(1.808)
	592.114	473.477
Total cash flows from operating activities	1.133.377	(3.373.649)
<u>Cash flows from investing activities</u>		
Changes in participations in non consolidated subsidiaries & adj.of associates' equity	(24.815)	(12.389)
Proceeds from sale of subsidiaries	-	11.016
Net change in property, plant and equipment, intangible assets and investment property	59.065	(30.873)
Net change of held to maturity securities	12.268	14.443
Net change of available-for-sale investments	387.099	(1.364)
Total cash flows from investing activities	433.617	(19.167)
<u>Cash flows from financing activities</u>		
Share capital increase	836.662	-
Cash advance for share capital increase	600.000	-
Repayment of mortgage backed securities	(79.696)	(78.958)
Proceeds/ (repayment) of debt securities	(3.212.726)	2.890.000
Proceeds/ (repayment) of subordinated debt	250.000	100.000
Proceeds from sale of own bonds	159.690	(193.336)
Total cash flows from financing activities	(1.446.070)	2.717.706
Net increase / (decrease) in cash and cash equivalents	120.924	(675.110)
Cash and cash equivalents, at beginning of period (Note 33)	1.946.369	2.621.479
Cash and cash equivalents, at end of period (Note 33)	2.067.293	1.946.369

Notes on pages 8 to 53 form an integral part of these consolidated financial statements

Notes to the Consolidated Financial Statements

1. General Information

Emporiki Bank ("Emporiki Bank" or the "Group") operates in all banking activities (retail, corporate) as well as in investment banking, asset management, portfolio management and in general financial services. The Bank's registered office is at 11 Sofocleous Str. and its registration number as "Societe Anonyme" is 6064/06/B/86/03. The Bank offers services in Greece through its network of 351 branches and abroad through its branches in London and Germany as well as through its subsidiaries in Cyprus, Bulgaria, Albania, and Romania.

Emporiki Bank was established in Greece in 1907 and its shares are listed on the Athens Stock Exchange in the "Low Dispersion and Specific Features" category.

Its web site address is www.emporiki.gr.

The members of the Board of Directors, on 31st of December 2009 are as follows:

Executive members

Alain	Strub	Chief Executive Officer
Bruno-Marie	Charrier	Deputy Chief Executive Officer
Fokion	Dimakakos	Member
Despina	Chalkidis	Member
Georgios	Spiliopoulos	Member

Non-executive members

Jean-Frederic	De Leusse	Chairman
Bertrnard	Badre	Member
Luc	Demazure	Member
Bernard	Mary	Member
Yves	Nanquette	Member
Jean- Francois	Marchal	Member
Haralampos	David	Member
Nikolaos	Ebeoglou	Member
Alexandra	Papalexopoulou	Member
Jean - Yves	Hocher	Member
Giampiero	Maioli	Member
Emmanuelle	Yannakis	Member
Achilles	Constantakopoulos	Member

Independent Non-executive members

Christoforos	Chatzopoulos	Member
Konstantinos	Papadiamantis	Member

The Board of Directors of the Bank approved these financial statements on 17th of February 2010.

The Bank's consolidated financial statements are included in the consolidated financial statements of Credit Agricole S.A. The registered office of Credit Agricole S.A. is 91-93, Boulevard Pasteur, 75015 Paris, France and its web site address is www.credit-agricole.fr

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Standards effective for year ended 31 December 2009

- IAS 1 (Revised) “Presentation of Financial Statements”: IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present one statement. The interim financial statements have been prepared under the revised disclosure requirements.
- IFRS 8 “Operating Segments”: This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity’s chief operating decision maker and are reported in the financial statements based on this internal component classification. This has resulted in no change in the number of reportable segments presented.
- IAS 23 (Amendment) “Borrowing Costs”: This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The amendment will not impact the Group as all applicable borrowing costs were capitalised.
- IFRS 2 (Amendment) “Share Based Payment” – Vesting Conditions and Cancellations: The amendment clarifies the definition of “vesting condition” by introducing the term “non-vesting condition” for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Group’s financial statements.
- IAS 32 (Amendment) “Financial Instruments: Presentation” and IAS 1 (Amendment) “Presentation of Financial Statements” – Puttable Financial Instruments: The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. This amendment does not impact the Group’s financial statements.
- IAS 39 (Amended) “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items: This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment does not impact significantly the Group’s financial statements.

(b) Interpretations effective for year ended 31 December 2009

- IFRIC 13 – Customer Loyalty Programmes: This interpretation clarifies the treatment of entities that grant loyalty award credits such as ‘points’ and ‘travel miles’ to customers who buy other goods or services. This interpretation is not relevant to the Group’s operations.
- IFRIC 15 - Agreements for the construction of real estate: This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group’s operations.
- IFRIC 16 - Hedges of a net investment in a foreign operation: This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation.

- Amendments to IFRS 7 - Financial instruments: Disclosures: The IASB published amendments to IFRS 7 in March 2009. The amendment requires enhanced disclosures about fair value measurements and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the financial position or the comprehensive income of the Bank.
- IFRIC 18 “Transfers of assets from customers” (effective for transfers of assets received on or after 1 July 2009): This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group.

(c) Standards effective after year ended 31 December 2009

- IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements” (effective for annual periods beginning on or after 1 July 2009): The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.
- IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2013): IFRS 9 is the first part of Phase 1 of the Board’s project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity’s business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Bank is currently investigating the impact of IFRS 9 on its financial statements. The Bank cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Bank decide if IFRS 9 will be adopted prior to 1 January 2013.

(d) Interpretations effective after year ended 31 December 2009

- IFRIC 17 “Distributions of non-cash assets to owners” (effective for annual periods beginning on or after 1 July 2009): This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The Group will apply this interpretation from its effective date.

2.1 Basis of preparation

The Financial Statements as at 31 December 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS), which have been adopted by the European Union, and those Standards and Interpretations approved by the International Accounting Standards Board.

The consolidated financial statements are presented in Euro, the Bank’s functional currency, rounded to the nearest thousand unless otherwise indicated.

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

2.2 Consolidation

(a) Subsidiaries

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

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

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

(b) Associates

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

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

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

(c) Proportionate consolidation

The Group applied proportional consolidation for the first time in the consolidated financial statements as at 30 September 2005, for its share in the jointly controlled entities Emporiki Life AE and Emporiki Credicom AE. IAS 31 (interests in joint ventures) defines proportionate consolidation as a method of accounting whereby a venture's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venturer's financial statements. IAS 31 asserts that this method of accounting is necessary in order to capture the substance and economic reality of a venturer's interest in a jointly controlled entity.

The application of proportionate consolidation means that the balance sheet of the venturer includes its share of the assets that it controls jointly and its share of liabilities for which it is jointly responsible. The income statement of the venturer includes its share of the income and expenses of the jointly controlled entity.

2.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

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

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

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

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

2.4 Derivative financial instruments and hedge accounting

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

Derivatives are initially recognized at acquisition cost on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, if market prices are not available.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (a) Hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge),
- (b) Hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge) or
- (c) Hedges of a net investment in a foreign operation (net investment hedge).

Hedge accounting is used for derivatives designated in this way provided certain criteria are met

For economic purposes, the Group designates certain derivatives as either hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge) or, hedges of highly probable future cash flows attributable to a recognized asset or liability, or a forecasted transaction (cash flow hedge) or hedges for a net investment in a foreign subsidiary. The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(c) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

2.5 Interest income and expense

Interest income and expense are recognized in the consolidated income statement for all instruments measured at amortized cost using the effective interest method and includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Interest and similar income includes interest income from loans and advances to customers, interest income from fixed and floating interest-bearing securities and also premium or discount amortization of bonds and other financial instruments.

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

2.6 Fee and commission income

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

2.7 Dividend Income

Dividends are recognized in the income statement when the right to receive payment is established.

2.8 Financial assets

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

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

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

(b) Loans and receivables

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

(c) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group has designated securities, with a book value of 45.043 euro, as at 31 December 2009.

(d) Available-for-sale

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

Purchases and sales of financial assets in categories (a), (c), (d) above are recognized on settlement date – the date that a financial asset is delivered to or by the Group, which for held to maturity assets and available for sale securities includes transaction costs. Loans and advances (category b) are recognized when cash is advanced to the borrowers.

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

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

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

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

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

2.9 Off - setting financial instruments

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

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

2.10 Sale and repurchase agreements

Securities sold subject to repurchase agreements ("repos") are included in the financial statements of the Group as assets; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate.

Securities purchased by the Group under agreements to resell ("reverse repos") are recorded as loans and advances to other banks or customers, as appropriate. These securities are not included in the Group's financial statements.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

2.11 Impairment of financial assets

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

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

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

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

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

Impairment loss is considered the difference between the carrying amount at the date of the impairment test loss and the expected cash flows of the assets discounted using the original effective interest rate.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group’s grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors’ ability to pay all amounts due according to the contractual terms of the assets being evaluated.

In subsequent periods, possible change in expected cash flows as result of a change in the financial asset, are recognized in the income statement and the amount of the impairment loss is reversed or increased by adjusting the allowance account through the income statement.

2.12 Intangible assets - Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives (three to five years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

2.13 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

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

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

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

2.14 Investment property

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

2.15 Leases

(a) The Group as lessee

Leases of fixed assets where the Bank has substantially all the risks and rewards of ownership are classified as finance leases.. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period. Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the year of the lease.

(b) The Group as lessor

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

2.16 Insurance activities

a) Provision for insurance claim

As a result of normal operations of the Group insurance companies, obligations or outstanding claims occur, most of which are delayed, due to their nature or are under legal proceedings. Specialists along with legal council, where considered necessary, determine the settlement of these claims and the fair value of any liabilities of the insurance companies.

This provision is determined on a file-by-file basis, based on supporting evidence and taken into account direct claims and third party fees such as lawyers, court and judicial expenses.

b) Recognition of income

Insurance premium fees are recognized as income during the period of the insurance contract (short term life contracts and contracts for settlement of claims). For long term life contracts income is recognized on issue of the contract and the relevant expense is recognized by the method of technical reserves.

c) Reinsurance contracts

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

d) Unbundling of components

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

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

e) Assessment of provision

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

2.17 Cash and cash equivalents

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

2.18 Provisions

Provisions for restructuring costs and legal claims are recognized when:

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

2.19 Employee benefits

(a) Short-term obligations

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

(b) Post employment benefits

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

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

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

The current status of the Bank's obligations to Pensions Funds is described in detail in note 32.

(c) Employee termination benefits

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

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

2.20 Deferred tax

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

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

Deferred taxes are presented separately as assets and liabilities and are not offset.

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

2.21 Debt securities and other issues

Debt securities and subordinated debts of the Group are recognized initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. These are subsequently measured at amortized cost; any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.22 Share capital and own shares

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds. Directly attributable costs of issuing shares for the purpose of acquiring an entity are included in the cost of the acquired entity.

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

2.23 Fiduciary activities

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

2.24 Related-party transactions

Related parties include companies within the control of the Group, companies for which the Group exerts significant influence, Board of Directors members and their close family members. The Group enters into transactions with related parties in the usual course of its business.

2.25 Segment reporting

The business segments are the primary reporting format of the Group. Taking into consideration the Group's internal reporting system and organizational structure, the following reportable business segments have been identified:

- Retail banking
- Corporate banking
- Insurance and asset management activities
- Investment banking and Treasury
- Other

2.26 Comparatives

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

3. Financial Risk Management

3.1 Financial Risk factors

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

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

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

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

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

IRS contracts allow the Bank to convert long-term exposure from floating to fixed at a lower rate from that on inception. Through IRS the Bank agrees with third parties to swap at a notional amount the primarily difference between floating and fixed.

Interest rate risk arises from medium and long-term loans. Floating rate loans expose the Bank to cash flow risks. Fixed rate loans expose the Bank to fair value risks. It is the Bank's policy to have approximately their entire loan portfolio with floating rates.

3.2 Credit Risk

Emporiki Group's main strategic target is the effective management of the total undertaken risks in order to ensure an efficient use of capital in relation to risk appetite as well as business development.

The Bank assigns significant priority in developing internal risk rating tools that identify the level of risk associated with borrowers' creditworthiness based on specific characteristics per type of exposure. This effort is aligned with the requirements of the new Pillar II Regulatory framework, regarding the capital adequacy obligations and the norms of Emporiki Group.

The credit approval process is subject to a detailed risk monitoring, review and analysis on an on-going basis in accordance with the norms and practices of Credit Agricole SA.

Regarding the credit risk strategy per portfolio, the following have to be pointed out:

Corporate Credit Risk Strategy

Regarding the corporate risk assessment, Emporiki has incorporated in the credit decision-making process "Anadefi", Credit Agricole's rating model for corporate exposures. The above mentioned model uses a 15 grade scale for assessing the quality of the counterparty based on quantitative and qualitative criteria to calculate the inferred probability of default for each rating grade.

The existence of a quantitative credit rating system creates a basis to compare credit risk, allows the possibility of linking risk with pricing, assists the realization of more accurate provisions, facilitates the evaluation of capital requirements by supervisory authorities and contributes to more accurate credit approval processes.

Apart from the corporate rating tool, Emporiki in order to effectively assess concentration risk has established sector limits and limits per Group of counterparties, which are closely monitored and reviewed on an annual basis.

Additionally, the portfolio of the Corporate exposures is reviewed at least on a yearly basis taking into account both the Corporate and Risk Business lines, while the amount, the type and the complexity per exposure are approved by different delegation levels via specific Credit Decision Processes. As a result, a more diversified portfolio is achieved with less concentrated exposures.

Further to the above and regarding the Medium Companies after the establishment of Business Centres, the risk policy has been reviewed along with the following developments:

A monitoring process has been adopted aiming to prevent any risk increase. In specific, an alert procedure for downgraded borrowers has been established with special reference to incidents of non-payment, significant decrease of the activity, and other financial, legal and managerial events that may indicate a possible deterioration of the credit quality.

Specific guidelines have been developed for all SMEs exposures regarding the Bank's risk appetite and credit policy rules.

SMEs Credit Risk Strategy exposures

Regarding the SMEs segmentation with the establishment of Business Centers, the risk policy has been reviewed along with the following developments:

A monitoring process has been adopted aiming to prevent any risk increase. In specific, an alert procedure for downgraded borrowers has been established with special reference to incidents of non-payment, significant decrease of the activity, and other financial, legal and managerial events that may indicate a possible deterioration of the credit quality.

An independent specialized Unit has been set up for restructuring SMEs' debt.

Specific guidelines have been developed for all SMEs exposures regarding the Group's risk appetite and credit policy rules.

Professionals & Small Business Credit Risk Strategy

For Professionals & Small Enterprises credit exposures, systemic control tools that verify the fulfilment of specific credit policy rules are applied via the fulfilment of the electronic credit application form.

During 2009 Emporiki acquired a new rating model for small companies with C category books. Moreover, a bespoke application scorecard, is used for small business and professionals.

The Approval process is centralized for these loans and in this concept the delegation power of the Branches has been decreased significantly.

Credit Risk Strategy for Individuals

Credit financing to private individuals is primarily designed to meet consumer and housing (e.g. purchase, building, completion, extension, repair of a residential property, purchase of land for the building of a house or business premises) needs.

Lending to Individuals is mainly based upon the fulfilment of general credit policy rules, as well as upon bespoke application scorecards for consumer loans. Those scorecards are closely monitored by the Risk Management division in co-operation with Credit Agricole's via several validation and calibration procedures.

The entire approval process until the disbursement is Centralised in a Credit Centre who performs not only the assessment but also all the back office operations. In specific, this Unit is responsible to assess all requests based on the Credit Policy of the Bank, to verify the completeness and accuracy of the documentations, to check the collaterals' status (eg. full ownership etc.), to co-operate with the Real Estate Division for the evaluation of the collateral market value.

Regarding the housing credit a new bespoke application scorecard will be implemented during 2010. Furthermore, during the coming year the Bank will implement a new behavioural scorecard to assess all its existing individual customers.

3.2.1 Impairment and Provisions

The table below shows the percentage of the Group's on-balance sheet items relating to loans and advances and the associated impairment provision for each of the Group's internal credit rating categories:

	2009		2008	
	Loans & advances (%)	Impairment Provision (%)	Loans & advances (%)	Impairment Provision (%)
Standard monitoring	77,9	0,8	88,5	1,2
Special monitoring	3,4	4,7	2,1	6,7
Sub-standard	18,7	36,6	9,4	42,7
Total	100	7,7	100	5,2

3.2.2 Maximum exposure to credit risk before collateral held or other credit enhancements

The following table presents the Group's maximum credit risk exposure as of 31/12/2009 and 31/12/2008, without including collateral held or other credit enhancements. For on-balance sheet assets, the credit exposures are based on their carrying amounts as reported on the balance sheet.

	Maximum Exposure	
	2009	2008
Credit risk exposures relating to on-balance sheet assets are :		
Treasury bills	254.592	27.192
Due from other banks	2.529.556	2.092.861
Trading securities - Debt securities	91.271	601.615
Derivative financial instruments	73.313	67.451
Loans and advances to customers:		
Loans to Individuals:		
Credit Cards	363.838	405.780
Consumer Loans	1.640.918	2.262.450
Mortgage Loans	7.779.682	8.007.606
Loans to corporate entities:		
Large Corporate Customers	7.372.920	6.545.054
Small and medium size enterprises (SMEs)	4.346.580	5.913.416
Revolving Easy Business	474.084	489.344
Other receivables	146.145	86.173
Available-for-sale securities - Debt securities	1.188.942	1.584.745
Held-to-maturity securities	45.043	57.311
Other assets	307.302	166.783
Credit risk exposures relating to off-balance sheet items are as follows:		
Letters of guarantee	2.033.470	2.232.602
Total	28.647.656	30.540.383

3.2.3 Loans and advances

Loans and advances to customers and to banks are summarized as follows:

	2009		2008	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Neither past due nor impaired	15.865.466	2.529.556	17.098.133	2.092.861
Past due but not impaired	3.588.174	-	5.009.895	-
Impaired	4.492.851	-	2.897.894	-
Gross Total	23.946.491	2.529.556	25.005.922	2.092.861
Less: allowance for impairment	1.822.324	-	1.296.099	-
Net Total	22.124.167	2.529.556	23.709.823	2.092.861

(a) Loans and advances neither past due or impaired by rating class

31 December 2009

	Credit Cards	Term Loans	Mortgages	Loans to Corporate Entities	SMEs	Revolving Easy Business	Other receivables	Total Loans & advances to customers	Loans and advances to banks
Standard monitoring	235.257	904.015	5.350.222	5.836.470	2.338.032	279.010	146.143	15.089.149	2.529.556
Special monitoring	-	-	21	219.460	125.568	-	-	345.049	-
Sub-standard	44	17.491	108.894	295.030	9.707	102	-	431.268	-
Total	235.301	921.506	5.459.137	6.350.960	2.473.307	279.112	146.143	15.865.466	2.529.556

31 December 2008

	Credit Cards	Term Loans	Mortgages	Loans to Corporate Entities	SMEs	Revolving Easy Business	Other receivables	Total Loans & advances to customers	Loans and advances to banks
Standard monitoring	265.843	1.768.055	5.831.983	5.511.132	3.108.344	269.156	86.174	16.840.697	2.092.861
Special monitoring	4.806	-	278	106.299	77.529	-	-	188.913	-
Sub-standard	60	3.601	58.334	263	6.266	10	-	68.523	-
Total	270.708	1.771.656	5.890.596	5.617.694	3.192.139	269.166	86.174	17.098.133	2.092.861

(b) Loans and advances past due but not impaired

31 December 2009

	Credit Cards	Term Loans	Mortgages	Loans to Corporate Entities	SMEs	Revolving Easy Business	Total
Past due up to 30 days	66.066	168.559	644.917	461.240	1.347.739	104.919	2.793.440
Past due up to 30-90 days	14.293	89.160	313.289	33.650	118.907	25.889	595.188
Past due up to 90-180 days	1.980	11.636	153.021	222	4.784	3.812	175.455
Past due more than 180 days	-	-	12.848	-	11.243	-	24.091
Total	82.339	269.355	1.124.075	495.112	1.482.673	134.620	3.588.174

31 December 2008

	Credit Cards	Term Loans	Mortgages	Loans to Corporate Entities	SMEs	Revolving Easy Business	Total
Past due up to 30 days	70.877	225.438	721.968	803.896	1.955.471	138.677	3.916.327
Past due up to 30-90 days	23.715	123.148	377.457	61.738	227.777	44.770	858.605
Past due up to 90-180 days	4.655	17.918	142.795	893	6.512	6.960	179.733
Past due more than 180 days	3.032	1.928	20.115	12.223	17.933	-	55.231
Total	102.279	368.432	1.262.334	878.750	2.207.693	190.407	5.009.896

(c) **Loans and advances individually impaired**

31 December 2009

	Credit Cards	Term Loans	Mortgages	Large Corporate Customers	SMEs	Easy Business	Other Receivables	Total
Impaired loans	128.136	823.673	1.540.485	456.132	1.325.302	204.805	14.318	4.492.851
	128.136	823.673	1.540.485	456.132	1.325.302	204.805	14.318	4.492.851
out of which have less than 90 pdp	14.726	194.627	430.845	157.672	166.540	19.840	-	984.250
Allowance for impairment	80.994	380.91	349.199	207.840	644.608	144.453	14.318	1.822.324

31 December 2008

	Credit Cards	Term Loans	Mortgages	Large Corporate Customers	SMEs	Easy Business	Other Receivables	Total
Impaired loans	85.138	599.268	1.067.740	238.403	792.290	99.433	15.623	2.897.895
	85.138	599.268	1.067.740	238.403	792.290	99.433	15.623	2.897.895
out of which have less than 90 pdp	7.527	134.396	205.463	35.136	132.252	13.379	-	528.153
Allowance for impairment	56.573	324.826	237.367	188.705	403.344	69.662	15.622	1.296.099

3.2.4 Debt securities, treasury bills and other eligible bills

The table below presents an analysis of debt securities, treasury bills and other eligible bills by rating agency designation at 31 December 2009, based on Moody's rating

	Treasury bills	Trading securities	Available-for-sale securities	Held-to-maturity securities	Total
Aa1 – Aa3	-	-	258.717	45.043	303.760
A1 – A3	-	2.019	426.281	-	428.300
Baa1 – Baa3	254.592	89.358	503.944	-	847.894
Σύνολο	254.592	91.377	1.188.942	45.043	1.579.954

3.2.5 Concentration of risks of financial assets with credit risk exposure

(a) Geographical Sectors

The geographical concentration allocates exposures to regions based on the counterparties' country of domicile. The Group's credit exposure, by geographical region as of 31 December 2009 and as of 31 December 2008, is mainly concentrated in Europe.

(b) Industry Sectors

31 December 2009	Financial Institutions	Manuf/ing	Real Estate	Whole sale & Retail Trade	Public Sector	Other Industries	Individuals	Total
Treasury bills	-	-	-	-	254.592	-	-	254.592
Due from other banks	2.529.556	-	-	-	-	-	-	2.529.556
Trading securities - Debt securities	-	-	-	-	91.271	-	-	91.271
Derivative financial instruments	73.313	-	-	-	-	-	-	73.313
Loans and advances to customers:	758.526	1.282.680	1.444.827	6.124.674	263.198	1.987.668	10.262.594	22.124.167
Loans to Individuals:	-	-	-	-	-	-	9.784.438	9.784.438
Credit Cards	-	-	-	-	-	-	363.838	363.838
Consumer Loans	-	-	-	-	-	-	1.640.918	1.640.918
Mortgage Loans	-	-	-	-	-	-	7.779.682	7.779.682
Loans to corporate entities:	758.526	1.282.680	1.444.827	6.124.674	263.198	1.987.668	478.156	12.339.729
Large Corporate Customers	755.338	867.861	898.809	3.766.665	227.996	850.855	5.396	7.372.920
Small and medium size enterprises	3.188	414.758	545.990	2.357.881	35.202	989.561	-	4.346.580
Revolving Easy Business	-	61	28	128	-	1.107	472.760	474.084
Other receivables	-	-	-	-	-	146.145	-	146.145
AFS securities -Debt securities	883.172	-	-	-	305.770	-	-	1.188.942
Held-to-maturity securities	-	-	-	-	-	45.043	-	45.043
Other assets	-	-	-	-	-	307.302	-	307.302
Total	4.244.567	1.282.680	1.444.827	6.124.674	914.831	2.340.013	10.262.594	26.614.186
As at 31 December 2008	3.866.299	1.482.444	1.494.110	6.768.100	1.235.037	2.300.061	11.161.731	28.307.782

3.3 Market risk

Market risk is the risk that the value of a portfolio, either an investment portfolio or a trading portfolio, will decrease due to the change in value of the market risk factors. For Emporiki Bank, the market risk factors are mainly interest rates and foreign exchange rates and consequently the associated market risk are:

- Interest rate risk is the risk (variability in value) borne by an interest-bearing asset, such as a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.
- Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

There are a number of standard calculations that Emporiki uses for measuring Market Risk on a portfolio consisting of bonds and derivatives. The most common techniques include:

- Marking to market, calculating the net market value of the assets and liabilities, sometimes called the "market value of portfolio equity".
- Calculating the bond's duration and Basis Point Value, the sensitivity of the asset's price to interest rate movements.
- Calculating the Value-at-Risk of the portfolio
- Applying Stress testing on the market value by shifting the yield curve in a specific way.

a) Value at risk

Value at Risk is the calculation of the potential loss amount due to market risk, according to the assumption that the composition of the portfolio measured remains unchanged over the specified period. The VAR model assumes a certain 'holding period' until positions can be closed (1 day) and the level of confidence is equal to 99%. There is therefore a specified statistical probability (1%) that actual loss could be greater than the VAR estimate. It also assumes that market moves occurring over this holding period will follow a similar pattern to those that have occurred over 1-day period in the past. Emporiki bank assessment of past movements is based on data for the past one year. Emporiki applies these historical changes in rates, prices, indices, etc. directly to its current positions – a method known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/factors used in the VAR calculation. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. As VAR constitutes an integral part of Emporiki's market risk control regime, the ALCO committee annually for all trading and non-trading portfolio operations establishes VAR limits.

b) Stress tests

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests include risk factor stress testing, where stress movements are applied to each risk category; and ad hoc stress testing. The results of the stress tests are reviewed by senior management and presented to ALCO Committee.

VAR summary for 2009 and 2008:

(a) Trading & Non - Trading portfolio VaR by Risk Type

	01/01- 31/12/2009			01/01- 31/12/2008		
	Average	High	Low	Average	High	Low
Foreign exchange risk	87	421	3	79	139	-
Interest rate risk	1.512	2.495	701	1.276	1.884	785
Equities risk	223	532	4	682	1.285	455
Total VAR	1.550	2.536	945	1.640	2.160	1.078

(b) Trading portfolio VaR by Risk Type

	01/01- 31/12/2009			01/01- 31/12/2008		
	Average	High	Low	Average	High	Low
Foreign exchange risk	61	136	4	39	117	-
Interest rate risk	833	1.082	532	1.227	1.815	608
Equities risk	-	-	-	190	995	-
Total VAR	838	1.095	501	1.293	1.828	609

(c) Non - Trading portfolio VaR by Risk Type

	01/01- 31/12/2009			01/01- 31/12/2008		
	Average	High	Low	Average	High	Low
Foreign exchange risk	128	196	32	19	207	-
Interest rate risk	204	436	65	438	1.340	126
Equities risk	334	919	3	538	747	293
Total VAR	378	915	80	657	1.397	347

3.4 Liquidity risk

Liquidity risk is the risk arising from the difference between the maturity of asset and liability items. Liquidity risk expresses the danger that the Bank cannot fulfill its obligations in the future due to these differences between financial instruments or transactions.

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

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

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

Emporiki Group's operations abroad adhere to liquidity rules defined by the Bank of Greece and local regulatory decisions.

The following table summarizes the financial assets and liability items of the Group by remaining maturity as at the reporting date.

31 December 2009

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Defined maturity	Total
ASSETS							
Cash and balances with Central Bank	873.933	1.825	6.496	-	-	203.097	1.085.351
Treasury bills	173.127	-	81.465	-	-	-	254.592
Due from other banks	1.996.911	65.451	70.900	383.246	5.789	7.259	2.529.556
Trading securities	-	-	51.843	35.733	312	3.489	91.377
Derivative financial instruments	-	-	-	-	-	73.313	73.313
Loans and advances to customers	5.107.395	1.805.944	2.958.433	5.499.346	8.535.585	(1.782.536)	22.124.167
Available-for-sale securities	34.213	32.420	185.558	490.144	447.249	37.064	1.226.648
Held-to-maturity securities	-	-	292	44.751	-	-	45.043
Other assets	1.413	8.769	4.265	5.205	131	287.519	307.302
Total Financial Assets	8.186.992	1.914.409	3.359.252	6.458.425	8.989.066	(1.170.795)	27.737.349
Liabilities							
Due to other banks	3.965.939	2.596.547	834.966	8	225	-	7.397.685
Derivative financial instruments	-	-	-	-	-	136.055	136.055
Due to customers	9.804.293	1.389.257	3.809.589	315.723	-	174.917	15.493.779
Debt securities in issue	-	73	1.003.220	1.149.919	180.412	-	2.333.624
Other borrowed funds	-	-	-	-	1.071.949	-	1.071.949
Due to State pension funds	76.088	-	78.774	253.402	-	-	408.264
Other liabilities	5.554	215	4.363	32	1.187	224.747	236.098
Total Financial Liabilities	13.851.874	3.986.092	5.730.912	1.719.084	1.253.773	535.719	27.077.454
Net on-balance sheet financial position	(5.664.882)	(2.071.683)	(2.371.660)	4.739.341	7.735.293	(1.706.514)	659.895

	Up to 1 month	1-3 months	3- 12 months	1-5 years	Over 5 years	Non Defined maturity	Total
31 December 2008							
Total Financial Assets	6.309.113	1.902.909	5.102.014	6.840.283	9.413.973	(313.222)	29.255.071
Total Financial Liabilities	13.823.430	4.123.812	5.163.236	4.907.291	1.006.212	493.605	29.517.586
Net on-balance sheet financial position	(7.514.317)	(2.220.903)	(61.221)	1.932.992	8.407.761	(806.828)	(262.515)

3.5 Establishment of fair values

The fair value of quoted investments, which are negotiable in active markets/stock exchanges, such as derivatives, shares, bonds, mutual funds, is established based on current bid prices valid at balance sheet date.

If the market for a financial asset is not active (and for unlisted securities), fair values are established by using valuation techniques and assumptions based on market information at the balance sheet date.

3.6 Fair Values of Financial Assets and Liabilities

(a) Financial instruments not measured at fair value

The following table presents the book and fair values for the financial instruments (assets and liabilities) that are not measured in fair value:

	Book Value		Fair Value	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Financial assets				
Due from other banks	2.529.556	2.092.861	2.529.556	2.092.861
Loans and advances to customers (after provisions)	22.124.167	23.709.823	23.190.158	23.416.829
Held-to-maturity securities	45.043	57.311	45.043	54.518
Financial liabilities				
Due to other banks	7.397.685	3.954.388	7.397.685	3.954.388
Due to customers	15.493.779	18.364.436	15.493.779	18.364.436
Debt securities in issue	2.333.624	5.529.799	2.317.057	5.406.065
Other borrowed funds	1.071.949	813.970	1.038.258	787.250

The fair value of the loans and advances to customers is calculated by discounting the future cash flows with the appropriate interest rates for similar term. The calculation of the fair value of debt securities in issue is based on discounting future cash flows with inter-bank rates according to the duration.

The fair value of a financial instrument reflects the price at which an asset can be traded or a debt settled, between informed parties, willing to conclude a transaction at normal price.

The fair value indicated above represent estimations as of the closing date. They are subject – amongst other factors- to adjustments, according to market conditions prevailing at the valuation date. Those calculations represent our best possible estimate. It is based on a set of assumptions. Since the underlying models include uncertainties, the fair values may not materialize if those financial instruments were to be sold or settled in the future.

In practical terms, and on a going concern basis, the overall value of those instruments could not materialize through an immediate market transaction."

(b) Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1– Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, London Stock Exchange, Frankfurt Stock Exchange, New York Stock Exchange) and exchanges traded derivatives like futures (for example, Nasdaq, S&P 500).
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

3.6.1 Assets and Liabilities measured at fair value

31 December 2009	Level 1	Level 2	Level 3	Total
Financial assets held for trading				
- Debt securities	345.969	-	-	345.969
- Derivatives	-	62.510	-	62.510
Hedging derivatives	-	10.803	-	10.803
Available for sale financial assets				
- Investment securities - debt	1.188.942	-	-	1.188.942
- Investment securities – equity & mutual funds	24.548	13.158	-	37.706
Total assets	1.559.459	86.471	-	1.645.930
Financial liabilities held for trading				
- Derivatives	-	67.866	-	67.866
Hedging derivatives	-	68.189	-	68.189
Total liabilities	-	136.055	-	136.055

4. Critical Accounting Estimates, and Judgments in Applying Accounting Policies

The management of the Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factor, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment on loans and advances

The Group reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows.

(b) Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair value, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

(c) Impairment of available-for-sale equity investments

The Group determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

(d) Income taxes

The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Due to state pension funds

The estimates, judgements and assumptions, concerning the liabilities to State pension funds are illustrated in Note 32.

(f) Investments in associates

The estimates, judgements and assumptions, concerning the investments in associates are illustrated in Note 23.

5. Segment Reporting

<u>From 1/1 to 31/12/2009</u>	Total	Retail Banking	Corporate Banking	Investment Banking & Treasury	Other
Net interest income	541.699	324.374	114.703	100.907	1.715
Net commission income	119.154	93.614	33.489	8.719	(16.668)
Other income	90.064	49.869	-	(34.774)	74.969
Net Operating Income	750.917	467.857	148.192	74.852	60.016
Staff costs	(444.133)	(361.504)	(25.612)	(13.367)	(43.650)
Impairment on loans and advances	(650.682)	(598.826)	(51.856)	-	-
Other provisions	(7.751)	(18)	-	-	(7.733)
Other operating expenses	(202.551)	(160.124)	(11.228)	(10.153)	(21.046)
Net Operating Expenses	(1.305.117)	(1.120.472)	(88.696)	(23.520)	(72.429)
Share of gain / (loss) of associates	(588)	-	-	(588)	-
Profit / (loss) before tax	(554.788)	(652.615)	59.496	50.744	(12.413)
<u>From 1/1 to 31/12/2008*</u>	Total	Retail Banking	Corporate Banking	Investment Banking & Treasury	Other
Net interest income	620.411	528.936	94.203	(4.910)	2.182
Net commission income	127.833	106.096	24.712	9.901	(12.876)
Other income	(32.749)	1.707	-	(42.132)	7.676
Net Operating Income	715.495	636.739	118.915	(37.141)	(3.018)
Staff costs	(435.123)	(351.822)	(25.942)	(13.532)	(43.827)
Impairment on loans and advances	(466.641)	(441.552)	(25.089)	-	-
Other Provisions	(19.617)	(67)	-	-	(19.550)
Other operating expenses	(206.663)	(164.072)	(10.647)	(8.242)	(23.702)
Net Operating Expenses	(1.128.044)	(957.513)	(61.678)	(21.774)	(87.079)
Share of gain / (loss) of associates	7.177	-	-	7.177	-
Profit / (loss) before tax	(405.372)	(320.774)	57.237	(51.738)	(90.097)

* 2008 figures have been adjusted for comparison purposes

Retail banking includes all services and products offered to individuals, freelance professionals and small and medium size entities.

Corporate banking includes all products and services offered to corporations and shipping companies.

Investment banking and Treasury include financial services, consulting and transaction services on capital exchange issues and on dealing room activities.

Other includes all non-financial or insurance activities and administrative and back office functions of the Bank.

6. Net Interest Income	01/01- 31/12/2009	01/01- 31/12/2008
Interest and similar income		
Cash and short-term funds	74.165	151.287
Bonds/ Treasury bills	165.009	330.318
Loans and advances	864.357	1.163.052
	1.103.531	1.644.657
Interest expense & similar charges		
Banks and customers	(395.341)	(718.986)
Debt securities	(119.814)	(227.115)
Securities and repos	(2.966)	(17.206)
Obligations to pension funds	(14.422)	(17.018)
Other borrowing funds	(29.289)	(43.921)
	(561.832)	(1.024.246)
Net interest income	541.699	620.411
7. Net Commission Income	01/01- 31/12/2009	01/01- 31/12/2008
Fee & commission income		
Loans	27.751	23.346
Working capital	6.302	7.433
Letters of guarantee	15.957	13.493
Credit cards	21.750	26.331
Imports – Exports	4.941	6.298
Other commissions	65.317	71.180
	142.018	148.081
Fee & commission expense		
Credit card commissions	(4.717)	(5.509)
Guarantees accepted by Credit Institutions	(14.742)	(12.875)
Other	(3.405)	(1.863)
	(22.864)	(20.248)
Net fee & commission income	119.154	127.833
8. Dividend Income	01/01- 31/12/2009	01/01- 31/12/2008
Trading portfolio	147	449
Available-for-sale portfolio	420	6.645
Total dividend income	567	7.094

9. Net Trading Results	01/01- 31/12/2009	01/01- 31/12/2008
Net profit / (loss) from transactions and foreign exchange valuation	14.090	7.831
Net profit / (loss) from sale and valuation of bonds	1.592	(11.272)
Net profit / (loss) from sale & valuation of shares & other variable yield securities	(603)	(5.585)
Net profit / (loss) from sale and valuation of derivatives	(2.664)	(39.335)
Net profit from sale and valuation of mutual funds	-	(543)
Net loss from sale of receivables	-	149
Total net trading results	12.415	(48.755)

10. Gains less Losses from Investment Securities	01/01- 31/12/2009	01/01- 31/12/2008
Net profit / (loss) from sale of bonds	-	(10.153)
Impairment of bonds	(1.395)	-
Net profit / (loss) from sale of shares and other variable yield securities	1.053	1.512
Impairment of shares	(194)	(114)
Net profit / (loss) from sale and valuation of mutual funds	(256)	3.180
Net profit / (loss) from sale of subsidiaries	1.958	3.375
Impairment of subsidiaries	(107)	-
Total gain less losses investment portfolio	1.059	(2.200)

11. Other Operating Income	01/01- 31/12/2009	01/01- 31/12/2008
Rental income	1.032	1.112
Proceeds from written-off receivables	2.027	1.703
Net profit / (loss) from the sale of fixed assets	39.816	(383)
Income from non banking subsidiaries	3.124	4.955
Net profit / (loss) from the buy-back of debt securities in issue	27.274	-
Other income	2.750	3.725
Total other operating income	76.023	11.112

12. Staff Costs	01/01- 31/12/2009	01/01- 31/12/2008
Salaries and wages	(282.825)	(282.440)
Social security costs (principal and auxiliary plans)	(89.068)	(89.999)
Other benefits	(72.240)	(62.684)
Total staff costs	(444.133)	(435.123)

Total personnel of the Group as at 31 December 2009 were 6.430 compared to 6.899 as at 31 December 2008.

13. Other Operating Expenses	01/01- 31/12/2009	01/01- 31/12/2008
Fees and third party expenses	(8.012)	(25.933)
Third parties fees	(42.455)	(47.572)
Insurance fees	(1.599)	(2.189)
Taxes and duties	(19.798)	(20.884)
Other expenses	<u>(104.824)</u>	<u>(82.413)</u>
Total other operating expenses	<u>(176.688)</u>	<u>(178.991)</u>

14. Income Tax Expense	01/01- 31/12/2009	01/01- 31/12/2008
Tax for the period (provision)	(42.767)	(31.895)
Deferred taxation (Note 36)	<u>21.025</u>	<u>(63.224)</u>
Total income tax expense	<u>(21.742)</u>	<u>(95.119)</u>

15. Earnings per Share	01/01- 31/12/2009	01/01- 31/12/2008
Attribute profit / (loss) to the Bank shareholders (in € thousands)	(582.585)	(491.754)
Average number of shares (excluding own shares)	<u>233.573.580</u>	<u>132.520.973</u>
Basic and diluted profit / (loss) per share (in €)	<u>(2,4942)</u>	<u>(3,7108)</u>

Basic earnings per share is calculated on the profit after tax attributable to the Bank's shareholders and the weighted average number of shares outstanding during the period after deducting own shares in ownership during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding during the period and the profit or loss attributable to ordinary equity holders for all the effects of dilutive potential ordinary shares. There were no outstanding dilutive ordinary shares during the periods presented in these financial statements.

The weighted average number of shares for all of the comparative years presented, have been adjusted by a factor of 1,00097 in order to reflect the bonus element of the rights issue.

16. Cash and Balances with Central Banks	31/12/2009	31/12/2008
Cash	244.568	299.776
Deposits at Central Bank excluding obligatory deposits for liquidity purposes	102.231	82.091
Cheques receivables – Central Bank clearing office	<u>4.050</u>	<u>12.338</u>
Included as cash and cash equivalents (Note 39)	<u>350.849</u>	<u>394.205</u>
Obligatory deposits at Central Banks	734.006	500.287
Accrued Interest	<u>496</u>	<u>883</u>
Total cash and balances with Central Bank	<u>1.085.351</u>	<u>895.375</u>

Obligatory deposits with Central Bank is a requirement set by the Bank of Greece for all financial institutions established in Greece and are equal to 2% of total customer deposits (excluding the first € 100 thousands). The Bank is also required to maintain a current account with Bank of Greece in order to facilitate inter-bank transactions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

17. Due from Other Banks

	<u>31/12/2009</u>	<u>31/12/2008</u>
Cheques receivable	5.910	10.500
On demand	190.313	218.705
Placements in other banks	1.328.974	712.720
Other amounts due	<u>17.362</u>	<u>53.764</u>
Included as cash and cash equivalents (Note 39)	1.542.559	995.689
Placements in other banks not included in cash and cash equivalents	983.365	1.069.354
Loans and borrowings in other banks	<u>3.632</u>	<u>27.818</u>
Total due from other banks	<u>2.529.556</u>	<u>2.092.861</u>

18. Trading Securities

	<u>31/12/2009</u>	<u>31/12/2008</u>
Hellenic Republic bonds not included in cash and cash equivalents	91.271	600.694
Other issuers bonds	-	921
Listed shares	12	7
Non listed shares	94	99
Mutual funds	<u>-</u>	<u>10.537</u>
Total trading securities	<u>91.377</u>	<u>612.258</u>

19. Derivative financial instruments

	<u>31/12/2009</u>			<u>31/12/2008</u>		
	Fair value			Fair value		
	Contract/ Nominal value	Assets	Liabilities	Contract/ Nominal value	Assets	Liabilities
(1) Derivatives held for trading						
a) Currency derivatives						
Currency forwards	60.432	550	843	602.188	1.396	1.611
Currency swaps	1.168.183	3.870	3.740	983.415	15.375	8.319
Currency options	21.652	460	460	97.908	4.594	4.593
		4.880	5.043		21.365	14.523
b) Interest rate derivatives						
Interest rate swaps	3.052.865	54.658	60.474	3.422.061	45.800	63.890
Caps & Floors	999.098	2.956	2.349	156.047	266	310
		57.614	62.823		46.066	64.200
c) Bond Futures						
Exchange traded bond / futures	7.500	16	-	67.100	-	432
		16	-		-	432
Total derivative held for trading		<u>62.510</u>	<u>67.866</u>		<u>67.431</u>	<u>79.155</u>
(2) Derivatives designated as fair value hedge						
a) Interest rate derivatives						
Interest rate swaps	5.516.300	10.803	68.189	1.346.300	20	54.425
		10.803	68.189		20	54.425
Total derivatives assets / liabilities		<u>73.313</u>	<u>136.055</u>		<u>67.451</u>	<u>133.580</u>

20. Loans and Advances to Customers

	<u>31/12/2009</u>	<u>31/12/2008</u>
Loans to individuals		
Credit cards	445.492	462.353
Term loans	2.017.276	2.587.276
Mortgage loans	8.112.903	8.244.973
	10.575.671	11.294.602
Loans to corporate entities		
Large corporate customers	7.532.882	6.647.524
Small and medium size enterprises	5.007.991	6.319.809
Freelances (Easy Business)	617.288	556.844
	13.158.161	13.524.177
Other advances	160.461	101.796
Accrued Interest	52.198	85.347
Total loans and advances to customers	23.946.490	25.005.922
Less: Impairment losses on loans and advances	1.822.324	1.296.099
	22.124.167	23.709.823
Floating interest rate	18.607.966	17.565.193
Fixed interest rate	5.286.328	7.355.382
Total loans and advances to customers	23.894.294	24.920.575

	<u>31/12/2009</u>	<u>31/12/2008</u>
Impairment losses on loans and advances		
Balance at 1 January	1.296.099	1.019.685
Discontinued operations	(49.281)	7.029
Transfer from discontinued operations	-	13.720
Unwinding (realisation of impairment loss) and write-offs	(98.090)	(213.051)
Impairment provision for loans and advances (before recoveries)	664.251	478.216
Transfer to “Investments in associates”	-	(9.500)
Transfer from “Loans and advances to customers”	9.345	-
Balance at 31 December	1.822.324	1.296.099

The impairment losses on loans and advances of the current period, that appear in the income statement, include proceeds from written-off receivables amount to € 13.569 thousands (€ 11.575 thousands for the period 01/01-31/12/2008).

Reconciliation of allowance account for losses on loans & advances by class is as follows:

	Loans to individuals			
	Credit Cards	Term Loans	Mortgages	Total
Balance at 1 January 2008	52.477	195.644	115.761	363.882
Discontinued Operations	-	3.581	-	3.581
Transfer from discontinued operations	-	13.720	-	13.720
Impairment losses for loans and advances	26.355	143.176	121.677	291.208
Unwinding (realisation of impairment loss) and write-offs	(22.259)	(31.295)	(71)	(53.625)
Balance at 31 December 2008	56.573	324.826	237.367	618.766

Balance at 1 January 2009	56.573	324.826	237.367	618.766
Discontinued Operations	-	(38.229)	-	(38.229)
Reclassifications	1.517	(3.169)	1.652	-
Impairment losses for loans and advances	41.643	127.891	104.503	274.037
Unwinding (realisation of impairment loss) and write-offs	(19.116)	(36.509)	(100)	(55.725)
Transfer from “Loans and advances to customers”	1.037	1.548	404	2.990
Balance at 31 December 2009	81.654	376.358	343.826	801.839

	Loans to legal entities				Total
	Large Corporate Customers	SME's	Easy Business	Other receivables	
Balance at 1 January 2008	239.846	315.636	59.839	40.482	655.803
Discontinued Operations	3.448	-	-	-	3.448
Impairment losses for loans and advances	23.285	141.108	20.810	1.804	187.007
Unwinding (realisation of impairment loss) and write-offs	(68.374)	(53.400)	(10.987)	(26.665)	(159.426)
Transfer to “Investments in associates”	(9.500)	-	-	-	(9.500)
Balance at 31 December 2008	188.705	403.344	69.662	15.621	677.332

Balance at 1 January 2009	188.705	403.344	69.662	15.621	677.332
Discontinued Operations	(11.052)	-	-	-	(11.052)
Reclassifications	(29.876)	29.876	-	-	-
Impairment losses for loans and advances	51.856	263.163	75.195	-	390.214
Unwinding (realisation of impairment loss) and write-offs	(8.300)	(32.356)	(404)	(1.305)	(42.365)
Transfer from “Loans and advances to customers”	-	6.355	-	-	6.355
Balance at 31 December 2009	191.333	670.382	144.453	14.316	1.020.484

21. Available-for-Sale Securities

	<u>31/12/2009</u>	<u>31/12/2008</u>
Treasury bills	16.157	1.206
Bonds issued by Hellenic Republic	305.770	395.093
Bonds from other issuers	867.015	1.188.446
Listed shares	1.407	3.268
Non listed shares	10.100	9.901
Mutual funds	26.199	28.103
Total available-for-sale securities	<u>1.226.648</u>	<u>1.626.017</u>

In accordance with the amendment of IAS 39 “Reclassification of Financial Assets”, the Bank has reclassified during 2008 corporate bonds amounted to € 104 million from the Trading portfolio into the Available-for-Sale portfolio. At 31 December 2009 the nominal and the fair value of these bonds was € 37,2 million and € 28,6 million respectively.

The gain from the revaluation difference recognized directly in equity for the fiscal year 2009, amounted to € 6,9 million. A gain of € 152 thousands from the sale of the reclassified bonds has been recognized in the income statement and is presented in the “Gains less losses from investment securities”.

22. Participation in Subsidiaries

The following subsidiaries were consolidated using the full consolidation method:

Company	Country of incorporation	Direct & indirect % participation as at	
		31/12/2009	31/12/2008
1 EMPORIKI BANK-GERMANY GMBH .	GERMANY	100,00	100,00
2 EMPORIKI BANK-BULGARIA A.D.	BULGARIA	100,00	100,00
3 EMPORIKI BANK-ALBANIA S.A.	ALBANIA	100,00	100,00
4 EMPORIKI LEASING S.A.	GREECE	-	80,00
5 EMPORIKI BANK CYPRUS	CYPRUS	93,71	91,92
6 EMPORIKI VENTURE CAPITAL DEVELOPED MARKETS LTD	CYPRUS	100,00	100,00
7 EMPORIKI VENTURE CAPITAL EMERGING MARKETS LTD	CYPRUS	100,00	100,00
8 EMPORIKI GROUP FINANCE P.L.C.	U.K.	100,00	100,00
9 EMPORIKI MANAGEMENT	GREECE	100,00	100,00
10 EMPORIKI BANK-ROMANIA S.A.	ROMANIA	99,41	99,41
11 EMPORIKI ASSET MANAGEMENT A.E.D.A.K.	GREECE	-	73,10
12 EMPORIKI DEVELOPMENT & REAL ESTATE MANAGEMENT	GREECE	100,00	100,00
13 GREEK INDUSTRY OF BAGS	GREECE	58,71	58,71
14 EMPORIKI RENT (proportionate consolidation)	GREECE	-	50,00
15 EMPORIKI LIFE (proportionate consolidation)	GREECE	-	50,00
16 EMPORIKI CREDICOM (proportionate consolidation)	GREECE	-	50,00
17 EMPORIKI INSURANCES (proportionate consolidation)	GREECE	-	50,00

The Bank’s Board of Directors during 2007 decided, to cease the operations of “EMPORIKI BANK GERMANY GmbH” and to initiate the liquidation process of the company. In the beginning of 2008, the management decided to continue part of the operations in Germany through branches and has undertaken the obligation to purchase any remaining portfolio of the under liquidation subsidiary. From 2009, Emporiki Bank operates in Germany through its branch which has undertaken the customer portfolio of the subsidiary.

During the second quarter of 2009, the carrying amount of the aforementioned subsidiary has been impaired by € 5.2 million, in order to reflect the amount that will be received when the liquidation procedure is completed. In Consolidated Financial Statements this impairment is fully reversed

During the second quarter 2009 the share capital of Emporiki Life, was increased by € 3 million represented by 857.142 new shares. Emporiki Bank participated in this share capital increase by 100% of its share with the contribution of € 1.5 million.

During the third quarter 2009, the Bank covered by 100% the share capital increase of “EMPORIKI BANK CYPRUS LTD” and is represented by 5.292.397 new shares. Emporiki Bank participated in this share capital increase by 100% of its share with the contribution of € 9 million.

The Bank, on 4 August 2009, covered by 100% the share capital increase of “EMPORIKI BANK ALBANIA S.A” and is represented by 41,336 new shares. Emporiki Bank participated in this share capital increase with the contribution of € 5 million.

The Bank on 15 December 2009, covered by 100% the share capital increase of its subsidiary “EMPORIKI BANK BULGARIA EAD” with the contribution of € 8 million.

The Bank, on 31 December 2009 completed the procedure of transferring its participation percentages in the companies a)Emporiki Credicom Bank S.A, b)Emporiki Life Insurance Company S.A, c)Emporiki Insurance Hellenic Insurance Company S.A, d)Emporiki Leasing S.A, and e)Emporiki Asset Management M.F.M.C, in total consideration for each company of 1) € 24,9 million , 2) 30,7 million, 3) € 10,4 million, 4) € 43,5 million and 5) 13,5 million to the corresponding Crédit Agricole Group companies

During 2009, the carrying amount of “EMPORIKI BANK ROMANIA S.A” has been impaired by € 31.3 million due to the adverse country market conditions.

The main subsidiaries that were excluded from consolidation due to their immateriality:

Company

- 1 EMPORIKI MEDIA LTD
- 2 BANKING DEVELOPMENT TRAINING AND RESEARCH CENTER
- 3 TOTAL CARE SA
- 4 PRESERVILLE ENTERPRISES LTD
- 5 ORMISTONE HOLDINGS LTD
- 6 DICAPRIO
- 7 RESEARCH BANK OF HISTORICAL ARCHIVES (Non-profit organization)
- 8 MR SNACK

23. Participation in Associates

The following associates were consolidated using the equity method:

Company	Country of incorporation	Direct & indirect % participation as at	
		31/12/2009	31/12/2008
1 INDUSTRY OF PHOSPHORIC FERTILIZER	EΛΛAΔA	-	33,24
2 EULER HERMES EMPORIKI	EΛΛAΔA	21,71	21,71

The Bank, on 15 September 2009, transferred its participation in “PHOSPHORIC FERTILIZERS INDUSTRY S.A” to the company under the trade name “ELFE S.A” in total consideration of € 29,7 million.

The associate INCURIAM INVESTMENT LTD was excluded from consolidation due to its immateriality.

24. Intangible Assets

	<u>Software</u>
1 January 2008	
Cost	83.323
Accumulated depreciation	<u>(70.685)</u>
Net book value	<u>12.638</u>
31 December 2008	
Opening net book value	12.638
Additions/Disposals	6.208
Change in depreciation	<u>(5.246)</u>
Closing net book value	<u>13.600</u>
31 December 2008	
Cost	89.531
Accumulated depreciation	<u>(75.931)</u>
Net book value	<u>13.600</u>
31 December 2009	
Opening net book value	13.600
Discontinued Operations	(1.152)
Additions/Disposals	6.119
Change in depreciation	<u>(5.387)</u>
Closing net book value	<u>13.180</u>
31 December 2009	
Cost	94.498
Accumulated depreciation	<u>(81.318)</u>
Net book value	<u>13.180</u>

25. Property, plant and equipment

	Land, Buildings and Leasehold Improvements	Other Fixed Assets	Total
1 January 2008			
Cost	283.091	265.394	548.485
Accumulated depreciation	<u>(13.729)</u>	<u>(193.852)</u>	<u>(207.581)</u>
Net book value	<u>269.362</u>	<u>71.542</u>	<u>340.904</u>
31 December 2008			
Opening net book value	269.362	71.542	340.904
Additions / disposals	7.290	13.896	21.186
Change in depreciation	<u>(3.928)</u>	<u>(18.382)</u>	<u>(22.310)</u>
Closing net book value	<u>272.724</u>	<u>67.056</u>	<u>339.780</u>
31 December 2008			
Cost	290.381	279.290	569.671
Accumulated depreciation	<u>(17.657)</u>	<u>(212.234)</u>	<u>(229.891)</u>
Net book value	<u>272.724</u>	<u>67.056</u>	<u>339.780</u>
31 December 2009			
Opening net book value	272.724	67.056	339.780
Discontinued operations	(658)	(16.105)	(16.763)
Additions / disposals	(37.374)	(18.626)	(56.000)
Change in depreciation	<u>(15.065)</u>	<u>(4.259)</u>	<u>(19.324)</u>
Closing net book value	<u>219.627</u>	<u>28.066</u>	<u>247.693</u>
31 December 2009			
Cost	253.007	260.664	513.671
Accumulated depreciation	<u>(32.722)</u>	<u>(216.493)</u>	<u>(249.215)</u>
Net book value	<u>220.285</u>	<u>44.171</u>	<u>264.456</u>

26. Investment Property

	<u>Land</u>	<u>Buildings and Equipment</u>	<u>Total</u>
1 January 2008			
Cost	65.435	49.634	115.069
Accumulated depreciation	-	(12.382)	(12.382)
Net book value	<u>65.435</u>	<u>37.252</u>	<u>102.687</u>
12 months- 31 December 2008			
Opening net book value	65.435	37.252	102.687
Impairment of assets	(2.029)	-	(2.029)
Additions / disposals	(564)	9.565	9.001
Change in depreciation	-	(4.871)	(4.871)
Closing net book value	<u>62.842</u>	<u>41.946</u>	<u>104.788</u>
31 December 2008			
Cost	62.842	59.199	122.041
Accumulated depreciation	-	(17.253)	(17.253)
Net book value	<u>62.842</u>	<u>41.946</u>	<u>104.788</u>
12 months- 31 December 2009			
Opening net book value	62.842	41.946	104.788
Impairment	(638)	-	(638)
Additions / disposals	3.944	10.555	14.499
Change in depreciation	-	(1.152)	(1.152)
Closing net book value	<u>66.148</u>	<u>51.349</u>	<u>117.497</u>
31 December 2009			
Cost	66.148	69.754	135.902
Accumulated depreciation	-	(18.405)	(18.405)
Net book value	<u>66.148</u>	<u>51.349</u>	<u>117.497</u>

27. Other Assets

	<u>31/12/2009</u>	<u>31/12/2008</u>
Prepaid expenses	1.803	3.112
Accrued income	15.978	4.393
Other	289.521	159.278
Total other assets	<u>307.302</u>	<u>166.783</u>

28. Due to Other Banks

	<u>31/12/2009</u>	<u>31/12/2008</u>
Borrowings from banks	7.364.509	3.927.206
Current accounts	33.112	27.042
Other liabilities	64	140
Total due to other banks	<u>7.397.685</u>	<u>3.954.388</u>

29. Due to Customers

	<u>31/12/2009</u>	<u>31/12/2008</u>
Deposits from legal entities		
Sight accounts	1.476.488	1.310.639
Term deposits	<u>1.119.330</u>	<u>1.915.342</u>
	2.595.818	3.225.981
Deposits from individuals		
Current accounts	508.842	485.357
Term deposits	5.874.267	8.750.824
Saving accounts	<u>6.366.136</u>	<u>5.676.938</u>
	12.749.245	14.913.119
Accrued interest	36.946	121.964
Cheques and remittances payable	111.770	103.372
	<u>15.493.779</u>	<u>18.364.436</u>
Total due to customers	15.493.779	18.364.436
Fixed interest rate	6.993.596	10.666.167
Floating interest rate	<u>8.351.467</u>	<u>7.472.933</u>
Total deposits	15.345.063	18.139.100

Fixed rate deposits include term deposits in euro and foreign currency.

30. Debt Securities in Issue

	<u>31/12/2009</u>	<u>31/12/2008</u>
Debt securities	2.329.766	5.497.412
Other credit titles	73	73
Accrued interest	<u>3.785</u>	<u>32.314</u>
Total debt securities in issue	2.333.624	5.529.799

Until the 31st December 2009 Emporiki Bank repaid, through the special purpose entity “Lithos Mortgage Financing Plc € 79.696.147 mortgage backed securities.

As at 31 December 2009, the Bank owned debt securities issued by Lithos Mortgage Financing Plc , with a total value of € 84.129.414

During the second quarter of 2009, Emporiki Bank called back debt securities with a total nominal value of € 3.090.000.000.

In 2009 Emporiki Bank issued, through Emporiki Finance Plc, a subordinated debt of € 50 million bearing an interest of 3m Euribor + 3% and maturing 21.12.2011

31. Other Borrowed Funds

	<u>31/12/2009</u>	<u>31/12/2008</u>
Subordinated notes	350.000	339.006
Subordinated notes due to the parent company	300.000	300.000
Hybrid securities due to the parent company	420.000	170.000
Accrued interest	<u>1.949</u>	<u>4.964</u>
Total other borrowed funds	1.071.949	813.970

On 19 June 2009, Emporiki Bank issued perpetual subordinated hybrid debt (eligible as Tier I) with a nominal value of € 250.000.000 bearing an interest rate of 3m Euribor + 4,75%. The debt is callable after 5 years from the date of issue.

On 5 August 2009, Emporiki Bank through “Emporiki Group Finance PLC” proceeded to call a dated subordinated note issue of € 350 million 5 years after its issue. The same time, the Bank issued a new perpetual subordinated debt with a nominal value of € 350 million bearing an interest of 3m Euribor + 1,75%. This debt is callable after 10 years from the date of issue.

32. Obligations to Pension Funds

The submission of the Auxiliary Pension Fund (TEAPETE) for the Bank's employees to the provisions of the laws 3371/2005 and 3455/2006 resulted to a) the diminution of the Bank's disadvantage to pay higher social contributions and b) the transparency regarding the estimated actuarial loss of the Bank.

Following the provisions of the new law 3371/2005, an economic study was performed by independent specialized actuaries, in order to determine the cost of including TEAPETE into the above-mentioned auxiliary funds (IKA-ETEAM and ETAT). This economic study was completed within the 1st quarter of 2006 and was approved by the relevant committee of the Ministry of Economy and Finance and it was ratified by law (L. 3455/2006). According to the study the Bank will pay to IKA-ETEAM and ETAT, for its pensioners a special contribution of €786,3 millions in total (upfront or within a period of 10 years bearing an interest rate of 3,53%). In addition, the Bank will be obliged to pay additional contributions compared to those defined by ETEAM regulations for its employees hired before 31/12/2004 through to retirement. The terms of the payment of the increased contributions were not defined by Law 3371/2005 but were established following a ministerial decision IKA Φ20203/19189/931/7.11.06. The Bank proceeds to the payment of the scheduled installments as these were defined in the economic study mentioned above. The outstanding balance of the liability as at 31.12.2009 was € 408.2 millions.

The Employee Union has litigated the aforementioned submission and has proceeded relevant legal actions. For one legal action, which was discussed in the First Instance Court of Athens, the ruling was issued, number 116/2008, and judged that the provisions of Law 3455/2006 are unconstitutional and the termination of employee contracts relating the Bank, the Employee Union and the TEAPETE is abusive. The Bank has proceeded legal action against the aforementioned court ruling which was discussed on 24.03.2009. During the aforementioned trial the Greek State has proceeded intervention in favor of the Bank. The Court of Appeal judgment number 4007/2009 (published 30.06.2009) rejected the Bank's appeal and validated the First Instance judgment. On December 2009, the Bank has appealed before the Supreme Court of Appeal and the determination of the hearing date is still waited. The economic impact of the judgment cannot be currently assessed.

33. Personnel Leaving Indemnities

	<u>31/12/2009</u>	<u>31/12/2008</u>
Law 2112/20 employee claims	814	1.562
Defined benefit plans of foreign subsidiaries	3.441	3.411
Total personnel leaving indemnities	<u>4.255</u>	<u>4.973</u>

34. Other Provisions

	<u>31/12/2009</u>	<u>31/12/2008</u>
Provisions for tax issues	65.536	40.315
Provisions for non – used vacation leaves	764	2.014
Provisions for litigations	51.131	49.969
Provisions for suspense accounts & other receivable	55.482	52.158
Provisions for guarantees given	20.277	19.777
Other provisions	2.069	2.591
Total other provisions	<u>195.259</u>	<u>166.824</u>

The movement of other provisions is analyzed as follows :

	Tax	Non-taken Vacation leaves	Litigations	Suspense accounts and other receivables	Guarantees given	Other	Total
Balance as at 1 January 2008	12.408	7.500	37.781	45.700	19.777	1.032	124.198
Charge / release for the period	27.987	1.606	13.420	6.458	-	2.327	51.798
Foreign exchange differences	(32)	-	-	-	-	(86)	(118)
Utilisation	(48)	(7.092)	(1.232)	-	-	(682)	(9.054)
Balance as at 31 December 2008	40.315	2.014	49.969	52.158	19.777	2.591	166.824
Balance as at 1 January 2009	40.315	2.014	49.969	52.158	19.777	2.591	166.824
Discontinued operations	(4.426)	-	(724)	-	-	(67)	(5.217)
Charge /release for the period	29.634	1.466	4.495	3.324	3.000	(348)	41.571
Foreign exchange differences	13	-	-	-	-	15	28
Utilisation	-	(2.716)	(2.609)	-	(2.500)	(122)	(7.947)
Balance as at 31 December 2009	65.536	764	51.131	55.482	20.277	2.069	195.259

According to the contract of purchase and selling agreement of 08.03.2007 between the Bank and Groupama Phoenix, (relatively the transferring of shares to Groupama International), there are two arbitral awards against the Bank which will be judged by the International Chamber of Commerce since the arbitral court will be set up.

In accordance with the arbitral awards of 05.06.2009 and 26.06.2009, the Bank is called to pay the amount of € 5,9 and € 11,3 million respectively given the forcing of the Bank to the statements and guarantees of Groupama Phoenix, while any extraordinary expenses that may arise, when the judge of arbitral awards between Bank and Groupama will be completed.

35. Other Liabilities

	<u>31/12/2009</u>	<u>31/12/2008</u>
Dividends payable	250	435
Accrued expenses and deferred income	51.425	67.938
Other	184.423	171.230
Total other liabilities	<u>236.098</u>	<u>239.603</u>

36. Deferred Tax Assets/ Liabilities

	<u>31/12/2009</u>	<u>31/12/2008</u>
Deferred tax assets		
Capital increase expenses	2.313	-
Intangible assets write-off	460	594
Impairment of loans and receivables	165.253	129.466
Provision for the cost of transfer to ETEAM	81.653	96.362
Commissions recognition based on effective interest rates	3.134	3.693
Impairment of investments for companies under liquidation	5.600	5.600
Provision for staff expenses	7.629	7.191
Other provisions	18.224	17.951
Other temporary tax differences	1.003	579
	285.268	261.436
Discontinued operations	-	11.323
	285.268	272.759
Deferred tax liabilities		
Buildings reduced depreciation rates	4.988	4.549
Other temporary tax differences	1.050	996
	6.038	5.545
Discontinued operations	-	5.316
	6.038	10.861
Net deferred tax assets	279.230	261.898

The (charge)/ release of deferred tax assets and liabilities through the income statement is:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Deferred tax (income statement)		
Intangible assets variation	(134)	(537)
Impairment of loans and receivables	126.581	106.715
Commission recognition based on real interest rates	(559)	(1.650)
Provision for staff expenses	437	(544)
Buildings reduced depreciation rates	(439)	(834)
Impairment of investments at companies under clearing process	-	3.088
Financial leases	-	2.171
Provision for the cost of transfer to ETEAM	(14.709)	(17.759)
Other provisions	273	5.310
Other temporary tax differences	370	(1.361)
Change of tax rates	-	(83.828)
Reassessment of recoverability	(90.794)	(80.000)
	21.025	(68.634)
Discontinued operations	-	6.007
Total deferred tax	21.025	(63.223)

The Management of the Bank, taking into consideration the current financial circumstances of the Bank and the effect of the market conditions, decided to undertake provisioning policy by reducing the deferred tax asset by € 90,8 million.

37. Contingent Liabilities and Commitments

a) Legal issues

The Group during the normal course of its business is a defendant in claims from customers and other legal actions. According to the consultation of the Legal division the ultimate disposition of these matters is not expected to have any material effect on the financial position or operations of the Group.

b) Tax issues

Tax authorities have audited the companies of Emporiki Group for all years up to and including the year as reported in the following table :

Company	Year
1 EMPORIKI BANK	2006
2 EMPORIKI BANK-GERMANY GMBH .	2006
3 EMPORIKI BANK-BULGARIA A.D.	2008
4 EMPORIKI BANK-ALBANIA S.A.	2008
5 EMPORIKI BANK CYPRUS	2002
6 EMPORIKI VENTURE CAPITAL DEVELOPED MARKETS LTD	2005
7 EMPORIKI VENTURE CAPITAL EMERGING MARKETS LTD	2005
8 EMPORIKI GROUP FINANCE P.L.C.	2005
9 EMPORIKI MANAGEMENT	2006
10 EMPORIKI BANK-ROMANIA S.A.	2008
11 EMPORIKI DEVELOPMENT & REAL ESTATE MANAGEMENT	2004
12 GREEK INDUSTRY OF BAGS	2006

c) Commitments

	<u>31/12/2009</u>	<u>31/12/2008</u>
Letters of guarantee	2.033.470	2.232.602
Unused approved credit limits	17.700.554	17.004.042
	<u>19.734.024</u>	<u>19.236.644</u>

d) Pledged assets

Pledged assets as at 31 December 2009 amount to € 1.541.005 (€1.627.690 as at 31 December 2008) including Hellenic Republic and other issuers bonds pledged by the Bank of Greece for the purposes of transactions through TARGET, by the derivatives clearing house (ETESEP) as margin insurance and pledged by foreign financial institutions for funding purposes.

Additionally, on 31 December 2009 loans with a total nominal value of € 645.405 have been pledged by the Bank of Greece for funding purposes.

Finally, bonds with a nominal value of € 33.248 are provided as collateral as part of repurchasing agreements (repos) with other credit institutions.

38. Share Capital

The share capital as at 31 December 2009 amounts to € 1,577.664.968 comprising by 286.848.176 ordinary shares of € 5,50 nominal value each. At 31 December 2008, amounted to € 728.153.074 comprising by 132.391.468 ordinary shares of € 5,50 nominal value each.

The share capital increase of the Bank through payment in cash and rights offering to existing shareholders pursuant to the resolution taken by the Extraordinary General Meeting of the shareholders on 26 February 2009, which started on 16/04/2009 and lasted until 30/04/2009, was covered at a percentage of 82,16% with payment in cash of an amount of € 697.928.539, that corresponds to 126.896.098 new common, registered shares, while 27.560.610 shares remained undisposed.

Pursuant to the resolution taken by the Board of Directors of the Bank on May 4, 2009, the aforementioned undisposed shares were distributed at its discretion to its major shareholder, Crédit Agricole S.A. thus the final percentage of the coverage of the Share Capital Increase comes to 100% and the final amount of the Share Capital Increase amounts to € 849.511.894.

Following the above, the Bank's share capital increased in cash by € 849.511.894, through the offer of 154.456.708 new common, registered shares, with a nominal value of € 5,50 each.

On December 14th 2009, the Extra-Ordinary General Assembly of the Shareholders approved the decrease of the Bank's Share Capital by the amount of partially written off accumulated accounting losses amounting to € 1.290.816.792 by reduction of the share's nominal price from € 5,50 to € 1,00 and the simultaneous share capital increase by payment in cash of the amount of € 989.421.312,51, by issue and offer of 225.380.709 new, common, intangible, registered with vote rights shares of the Bank of nominal value € 1,00 each and offer price € 4,39 for each share.

Crédit Agricole S.A. intends to participate and exercise its full preference rights in the proposed share capital increase of Emporiki Bank by payments in cash, to take up under the same terms any remaining shares, after exercise of shareholders preference rights, that may be offered to Crédit Agricole S.A. by the Board of Directors of Emporiki Bank in accordance with applicable law, and to maintain its equity stake as this will be effected after the share capital increase and at least for a period of 6 months following the listing of the new shares. Within this context Crédit Agricole S.A. has advanced in cash € 600.000.000 for the imminent share capital increase.

39. Cash and Cash Equivalents

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

	<u>31/12/2009</u>	<u>31/12/2008*</u>
Cash and balances with Central Banks (Note 16)	350.849	374.199
Treasury bills	173.885	26.735
Due from banks (Note 17)	<u>1.542.559</u>	<u>1.545.435</u>
	2.067.293	1.946.369
Discontinued operations	-	(528.857)
Total cash and cash equivalents	<u>2.067.293</u>	<u>1.417.512</u>

* 2008 figures have been adjusted for comparison purposes

40. Related Party Transactions

The major shareholders of the Bank as at 31 December 2009 is Credit Agricole and other companies of Credit Agricole Group with participating interest of 91,49% and pension funds with participating interest of 2,12%. The remaining shares are widely held and traded on the Athens Stock Exchange.

a) Transactions and balances with Board of Directors members and Executive Committee members

Board of Directors	<u>01/01-31/12/2009</u>	<u>01/01-31/12/2008</u>
Board of Directors and Executive Committee fees *	5.773	4.798
	<u>31/12/2009</u>	<u>31/12/2008</u>
Deposits	1.128	2.262
Loans	988	159
	<u>2.116</u>	<u>2.421</u>

* The fees of the non-executive members of the Board of Directors of the Bank were € 230 thousands for the year 2009 and € 390 thousands for the year 2008.

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

b) Transactions and balances with associates:

	<u>31/12/2009</u>	<u>31/12/2008</u>
Assets		
- Loans and advances to customers	-	42.154
Liabilities		
- Due to customers	-	5.338
	<u>01/01-31/12/2009</u>	<u>01/01-31/12/2008</u>
Income		
- Interest & similar income	1.227	2.499
Expenses		
- Interest expense & similar charges	28	132
	<u>31/12/2009</u>	<u>31/12/2008</u>
Assets		
Due from other banks	2.962.760	1.873.556
Loans and advances to customers	506.028	-
Derivative Financial Instruments	16.138	1.405
Other assets	14.789	7.154
	<u>3.499.715</u>	<u>1.882.115</u>
Liabilities		
Due to banks	6.970.421	2.288.664
Due to customers	90.654	-
Derivative Financial Instruments	104.933	96.733
Debt securities in issue	2.182.395	4.790.000
Other borrowed funds	1.072.140	470.000
Other liabilities	9.502	31.106
	<u>10.430.045</u>	<u>7.676.503</u>

	01/01- 31/12/2009	01/01- 31/12/2008
Income		
Interest & similar income	61.582	89.809
Fee & commission income	9.201	-
Net trading result	4.277	(44.840)
Other operating income	31.159	-
	106.219	44.969
Expense		
Interest expense & similar charges	165.960	295.814
Fee & commission expense	17.178	53
Staff expenses	2.056	-
Other operating expenses	8.777	13.849
	193.971	309.716

Transactions and balances with Credit Agricole Group

The related party transactions and balances are summarized as follows :

	01/01- 31/12/2009	01/01- 31/12/2008
Income	107.446	47.468
Expense	193.999	309.848
Fees for Board of Directors members and key management personnel	5.773	4.798
	307.218	362.114
	31/12/2009	31/12/2008
Assets	3.499.715	1.924.269
Liabilities	10.430.045	7.681.841
Receivables from Board of Directors members and key management personnel	988	159
Liabilities to Board of Directors members and key management personnel	1.128	2.262
	13.931.876	9.608.531

41. Discontinued Operations- Income Statement

	01/01- 31/12/2009	01/01- 31/12/2008
Profit and Loss Statement		
EMPORIKI CREDICOM	(16.642)	1.487
EMPORIKI INSURANCES	119	(69)
EMPORIKI LIFE	1.142	2.525
EMPORIKI ASSET MANAGEMENT	(1.390)	(1.328)
EMPORIKI LEASING	2.379	5.965
	(14.392)	8.580
Capital gain / (loss) from disposal		
EMPORIKI CREDICOM	(18.149)	-
EMPORIKI INSURANCES	5.939	-
EMPORIKI LIFE	24.884	-
EMPORIKI ASSET MANAGEMENT	968	-
EMPORIKI LEASING	(5.890)	-
	7.752	-
Total	(6.640)	8.580

Income Statement

01/01 – 31/12/2009

	EMPORIKI CREDICOM	EMPORIKI INSURANCES	EMPORIKI LIFE	EMPORIKI ASSET MANAGEMENT	EMPORIKI LEASING	Total
Interest & similar income	13.962	-	3.260	(2)	13.021	30.241
Interest expense & similar charge	1.120	156	252	(2)	(3)	1.523
Net interest income	15.082	156	3.512	(4)	13.018	31.764
Fee & commission income	2.394	(94)	(3.603)	2.219	(164)	752
Fee & commission expense	(5.209)	-	83	(285)	(1)	(5.412)
Net commission income	(2.815)	(94)	(3.520)	1.934	(165)	(4.660)
Net premiums from insurance contracts	(71)	718	60.606	-	-	61.253
Net claims and benefits on insurance contracts	-	(28)	(53.013)	-	-	(53.041)
Net income from insurance operations	(71)	690	7.593	-	-	8.212
Dividend income	-	-	64	-	-	64
Net trading results	-	2	(1.218)	164	-	(1.052)
Gains less losses from investment securities	(3.996)	-	(1.373)	-	-	(5.369)
Other operating income	206	(16)	(1.529)	198	417	(724)
Net operating income	8.406	738	3.529	2.292	13.270	28.235
Staff costs	(6.714)	(356)	(968)	(2.457)	(2.985)	(13.480)
Depreciation & amortization	(559)	(65)	(81)	(115)	(100)	(920)
Impairment losses on loans and receivables	(14.813)	-	-	-	(4.420)	(19.233)
Other provisions	(27)	-	-	-	-	(27)
Other operating expenses	(3.187)	(151)	(577)	(1.085)	(963)	(5.963)
Total operating expenses	(25.300)	(572)	(1.626)	(3.657)	(8.468)	(39.623)
Profit from associated undertakings	(506)	-	-	-	-	(506)
Profit/ (Loss) before income tax	(17.400)	166	1.903	(1.365)	4.802	(11.894)
Income tax expense	758	(47)	(762)	(24)	(2.423)	(2.498)
Profit after tax	(16.642)	119	1.141	(1.389)	2.379	(14.392)
- Equity holders of the Bank	(16.642)	119	1.141	(1.015)	1.903	(14.494)
- Minority interest	-	-	-	(374)	476	102
Basic earnings per share (in Euro)	(0,0712)	0,0005	0,0049	(0,0043)	0,0081	(0,0621)

Income Statement

	01/01 – 31/12/2008					
	EMPORIKI CREDICOM	EMPORIKI INSURANCES	EMPORIKI LIFE	EMPORIKI ASSET MANAGEMENT	EMPORIKI LEASING	Total
Interest & similar income	10.248	1	2.532	3	14.412	27.196
Interest expense & similar charge	214	209	607	-	45	1.075
Net interest income	10.462	210	3.139	3	14.457	28.271
Fee & commission income	413	(126)	(2.564)	2.312	(365)	(330)
Fee & commission expense	-	-	(11)	56	-	45
Net commission income	413	(126)	(2.575)	2.368	(365)	(285)
Net premiums from insurance contracts	-	286	19.148	-	-	19.434
Net claims and benefits on insurance contracts	-	27	(14.027)	-	-	(14.000)
Net income from insurance operations	-	313	5.121	-	-	5.434
Dividend income	-	-	108	-	-	108
Net trading results	-	-	(77)	860	-	783
Gains less losses from investment securities	-	-	(420)	-	(185)	(605)
Other operating income	7.836	(14)	(505)	(64)	236	7.489
Net operating income	18.711	383	4.791	3.167	14.143	41.195
Staff costs	(6.304)	(302)	(956)	(2.905)	(2.933)	(13.400)
Depreciation & amortization	(4.492)	(23)	(55)	(103)	(82)	(4.755)
Impairment losses on loans and receivables	(3.580)	-	-	-	(3.448)	(7.028)
Other provisions	-	-	-	-	-	-
Other operating expenses	(2.931)	(162)	(615)	(1.571)	(1.123)	(6.402)
Total operating expenses	(17.307)	(487)	(1.626)	(4.579)	(7.586)	(31.585)
Profit from associated undertakings	(432)	-	-	-	-	(432)
Profit/ (Loss) before income tax	972	(104)	3.165	(1.412)	6.557	9.178
Income tax expense	515	35	(640)	84	(592)	(598)
Profit after tax from	1.487	(69)	2.525	(1.328)	5.965	8.580
- Equity holders of the Bank	1.487	(69)	2.525	(971)	5.790	8.762
- Minority interest	-	-	-	(357)	175	(182)
Basic earnings per share (in Euro)	0,0112	(0,0005)	0,0191	(0,0073)	0,0437	0,0661

41. Auditors' fees

The total fees charged by the Bank's statutory auditor, for the financial year of 2009, are analysed as follows :

Fees for statutory audit assignment	1.097
Fees for other audit assignments	377
Fees for tax consulting services	95
Fees for other non-audit assignments	<u>703</u>
Total	<u>2.272</u>

42. Capital Adequacy

The Bank's solvency ratio is calculated in accordance with PD/BOG 2587/20.08.2007 "Definition of equity for credit institutions in Greece" and PD/BOG 2588/20.08.2007 "Solvency ratio for credit institutions".

Based on the current legislative framework, the Capital adequacy relevant index is analyzed as follows (amounts in billion euros):

Weighted Assets

Weighted Assets on credit risks	17,60
Weighted Assets on market risks	0,24
Weighted Assets on operational risks	<u>1,39</u>
Total Risk Weighted Assets	<u>19,23</u>

Regulatory Shareholder's Equity

Tier # 1 Capital	1,75
Tier # 2 Capital	0,53
Deductible amounts	<u>(0,01)</u>
Total Regulatory Equity	<u>2,27</u>

The relevant index at 31 December 2009 is approximately 11,8% for the Group.

The calculation of the Capital Adequacy Ratio as of 31 December 2009, has taken into account the guarantee received by the parent company Credit Agricole S.A. and the cash advance for the approved share capital increase.

43. Post Balance Sheet Events

The Bank, on 02 February 2010, bought-out of the (full) stake, currently owned by Mr. Leonidas Ioannou, in the Bank's subsidiary Emporiki Bank Cyprus Ltd., in total 500.000 common shares that represent 2,097% of the total share capital of the later. Consequently the Bank increased its participation to the subsidiary "EMPORIKI BANK CYPRUS LIMITED" by 95,81% and is represented by 22.844.373 shares.

The Bank, on 09 February 2010, covered by 100% the share capital increase of its subsidiary "EMPORIKI BANK ROMANIA S.A." by disbursing the amount of 78,517,500.00 RON. The share capital of "EMPORIKI BANK ROMANIA S.A." after the increase, amounts to 274,606,512.22 RON and corresponds to 160,934 common shares of nominal value 1,706.33 RON each. Consequently, EMPORIKI BANK OF GREECE S.A., owns 160,192 shares of EMPORIKI BANK ROMANIA S.A. which represent the 99,54% of its share capital.

Additionally, the Bank intends to buy-out of the (full) stake, in order to acquire the 100% of the share capital of Emporiki Bank Cyprus Ltd.

The Bank intends to start negotiations in order to sell its participation percentage in the company "Greek Industry of Bags S.A".

44. Reclassifications

The amounts in prior periods have been reclassified to conform to the current presentation. The reclassifications in the income statement which relates to staff expenses and other operating expenses, as well as to the presentation of Emporiki Credicom Emporiki Insurances, Emporiki Life, Emporiki Asset management and Emporiki Leasing as “Discontinued operations” due to their disposal, are analyzed as follows :

Income Statement

	01/01 – 31/12/2008		
	As restated	As published	Reclassified
Interest & similar income	1.644.657	1.671.852	(27.195)
Interest expense & similar charges	(1.024.246)	(1.023.171)	(1.075)
Net interest income	620.411	648.681	(28.270)
Fee & commission income	148.081	147.751	330
Fee & commission expense	(20.248)	(20.203)	(45)
Net commission income	127.833	127.548	285
Net premiums from insurance contracts	-	19.434	(19.434)
Net claims and benefits on insurance contracts	-	(14.000)	14.000
Net income from insurance operations	-	5.434	(5.434)
Dividend income	7.094	7.201	(107)
Net trading results	(48.755)	(47.973)	(782)
Gains less losses from investment securities	(2.200)	(2.804)	604
Other operating income	11.112	18.601	(7.489)
Net operating income	715.495	756.688	(41.193)
Staff costs	(435.123)	(435.842)	719
Depreciation & amortization	(27.672)	(32.428)	4.756
Impairment losses on loans and receivables	(466.641)	(473.669)	7.028
Other provisions	(19.617)	(19.617)	-
Other operating expenses	(178.991)	(198.072)	19.081
Total operating expenses	(1.128.044)	(1.159.628)	31.584
Share of loss / profit of associates	7.177	6.745	432
Profit / (loss) before income tax	(405.372)	(396.195)	(9.177)
Income tax expense	(95.119)	(95.716)	597
Profit after tax from continued operations	(500.491)	(491.911)	(8.580)
Profit from discontinued operations	8.580	-	8.580
Profit / (loss) after income tax	(491.911)	(491.911)	-

IV. Independent Auditors' Report and Financial statements as at 31.12.2009



Emporiki Bank

CRÉDIT AGRICOLE GROUP

**Financial
Statements**

as at 31-12-2009

In accordance with International Financial Reporting Standards

Athens, 17th February 2010

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[Translation from the original text in Greek]

**Independent Auditor's Report
To the Shareholders of Emporiki Bank of Greece S.A.
Reg. No. 6064/06/B/86/03**

Report on the Financial Statements

We have audited the accompanying financial statements of Emporiki Bank of Greece S.A. (the "Bank"), which comprise the balance sheet as of 31 December 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the system of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2009, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Without qualifying our opinion, we draw attention to note 33 of the accompanying financial statements, which describes events following the adoption of Law 3371/2005 (Social Security Regulation of Banking Institutions) by the Bank and the uncertain final outcome of related litigation.

Reference to Other Legal Matters

We verified the agreement and correspondence of the content of the Board of Directors' report with the accompanying financial statements, in the context of the requirements of articles 43a and 37 of Law 2190/1920.

Athens, 17 February 2010
The Certified Auditors – Accountants

The Certified Auditor - Accountant

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers
Certified Auditors - Accountants
268 Kifissias Avenue, Halandri 152 32
SOEL Reg. No. 113

Dimitris Sourbis
SOEL Reg. No. 16891

Statement of Comprehensive Income

	Note	1 January- 31 December 2009	1 January- 31 December 2008
Interest & similar income		1.032.693	1.577.611
Interest expense & similar charges		(530.174)	(996.007)
NET INTEREST INCOME	6	502.519	581.604
Fee & commission income		137.079	142.088
Fee & commission expense		(22.501)	(19.560)
NET FEE & COMMISSION INCOME	7	114.578	122.528
Dividend income	8	446	26.952
Net trading results	9	2.372	(47.226)
Gains less losses from investment securities	10	(31.333)	(5.277)
Other operating income	11	72.642	4.038
NET OPERATING INCOME		661.224	682.619
Staff costs	12	(413.464)	(406.506)
Depreciation & amortization	23,24,25	(20.743)	(23.657)
Impairment losses on loans and advances	20	(623.578)	(464.774)
Other provisions		(7.679)	(19.149)
Other operating expenses	13	(164.522)	(164.592)
TOTAL OPERATING EXPENSES		(1.229.986)	(1.078.678)
PROFIT / (LOSS) BEFORE INCOME TAX		(568.762)	(396.059)
Income tax expense	14	(17.876)	(91.106)
PROFIT / (LOSS) AFTER INCOME TAX		(586.638)	(487.165)
Other comprehensive income			
Net change in available-for-sale securities		59.755	(151.125)
Other comprehensive income for the year net of tax		59.755	(151.125)
Total comprehensive income for the year		(526.883)	(638.290)
Basic and diluted earnings / (losses) per share (in Euro)	15	(2,5116)	(3,6761)

Notes on pages 8 to 49 form an integral part of these financial statements

Statement of Financial Position

	Note	31 December 2009	31 December 2008
ASSETS			
Cash and balances with Central Bank	16	1.011.438	786.245
Treasury bills		254.592	27.192
Due from other banks	17	3.161.580	3.351.248
Trading securities	18	91.271	600.266
Derivative financial instruments	19	73.313	67.451
Loans and advances to customers	20	21.111.304	22.019.372
Available-for-sale securities	21	1.203.034	1.557.450
Held-to-maturity securities		45.043	57.311
Investments in subsidiaries	22	205.516	343.039
Investments in associates	22	1.965	19.181
Intangible assets	23	9.434	9.708
Property, plant and equipment	24	240.800	298.484
Investment property	25	113.040	100.244
Deferred tax assets	32	283.050	259.311
Income tax advance		1.344	9.347
Other assets	26	293.564	149.539
TOTAL ASSETS		28.100.288	29.655.388
LIABILITIES AND EQUITY			
Liabilities			
Due to other banks	27	7.555.894	4.122.719
Derivative financial instruments	19	136.070	133.581
Due to customers	28	15.061.149	17.998.744
Debt securities in issue	29	2.333.624	5.532.975
Other borrowed funds	30	1.072.043	814.122
Due to State pension fund	33	408.264	481.810
Other provisions	34	188.636	155.157
Current tax liabilities		1	4.119
Deferred tax liabilities	32	4.750	4.258
Other liabilities	31	226.103	206.241
Total liabilities		26.986.534	29.453.726
Equity			
Share Capital	36	1.577.665	728.153
Cash advance for share capital increase	36	600.000	-
Share premium		360.960	371.497
Other reserves	37	579.506	519.751
Retained earnings / (losses)		(1.417.739)	(930.574)
Results for the year		(586.638)	(487.165)
Total equity		1.113.754	201.662
TOTAL LIABILITIES AND EQUITY		28.100.288	29.655.388

Notes on pages 8 to 49 form an integral part of these financial statements

Statement of Changes in Equity

	Share capital	Share premium	Other reserves	Retained earnings / (losses)	Total
Balance as at 1 January 2008	728.153	371.497	670.876	(930.574)	839.952
Profit / (loss) for the year	-	-	-	(487.165)	(487.165)
Other comprehensive income:					
Net change in available-for-sale securities	-	-	(151.125)	-	(151.125)
Total comprehensive income for the year	-	-	(151.125)	(487.165)	(638.290)
Balance as at 31 December 2008	728.153	371.497	519.751	(1.417.739)	201.662
Balance as at 1 January 2009	728.153	371.497	519.751	(1.417.739)	201.662
Profit / (loss) for the year	-	-	-	(586.638)	(586.638)
Other comprehensive income:					
Net change in available-for-sale securities	-	-	59.755	-	59.755
Total comprehensive income for the year	-	-	59.755	(586.638)	(526.883)
Share capital increase	849.512	(10.537)			838.975
Cash advance for share capital increase	600.000				600.000
Balance as at 31 December 2009	2.177.665	360.960	579.506	(2.004.377)	1.113.754

Statement of Cash Flows

	1 January – 31 December 2009	1 January – 31 December 2008
Cash flows from operating activities		
Profit / (loss) before tax	(568.762)	(396.059)
<u>Adjustment for reconciliation of period result to cash flows from operating activities</u>		
<u>Adjustments for non-cash items included in profit and loss for the year:</u>		
Depreciation and amortization	20.743	23.657
Net (profit) / loss from sale of subsidiaries/associates	(6.126)	-
Impairment of subsidiaries	36.667	-
Impairment losses on loans and advances	623.578	464.774
Other provisions	7.679	19.149
Revaluation difference of derivative financial instruments	(3.373)	65.936
Accrued interest	(58.440)	33.562
Net (gain) from the buy-back of debt securities in issue	(27.274)	-
Net (profit) / loss from sale of available-for-sale securities	598	5.277
Net (profit) / loss from sale of fixed assets	(40.205)	566
	<u>553.847</u>	<u>612.921</u>
<u>Net (increase) / decrease of operating assets:</u>		
Obligatory deposits to Bank of Greece	(263.331)	(260.371)
Due from other banks	92.538	(746.103)
Trading securities	413.513	637.911
Loans and advances to customers (net of write-offs)	245.839	(4.095.896)
Other assets	(88.719)	(5.704)
	<u>399.840</u>	<u>(4.470.163)</u>
<u>Net increase / (decrease) of operating liabilities:</u>		
Due to other banks	3.439.231	549.562
Due to customers	(2.851.299)	203.224
Other liabilities	(60.860)	(157.031)
	<u>527.072</u>	<u>595.755</u>
Cash flows from operating activities before tax	911.997	(3.657.546)
Total cash flows from operating activities	911.997	(3.657.546)
Cash flows from investing activities		
Increase of participations in subsidiaries	48.204	(55.915)
Decrease of participations in associates	23.234	-
Net change in property, plant and equipment, intangible assets and investment property	64.625	(26.736)
Net change in held-to-maturity investments	12.268	(31.042)
Net change in available-for-sale investments	402.818	10.596
Total cash flows from investing activities	551.149	(103.096)
Cash flows from financing activities		
Proceeds from the issue of debt securities	(3.212.726)	2.890.000
Proceeds from the issue of subordinated debt	250.000	100.000
Repayment of mortgage backed securities	(79.696)	(78.958)
Share capital increase	836.662	-
Cash advance for share capital increase	600.000	-
Net (increase) / decrease of own bonds	159.690	(193.336)
Total cash flows from financing activities	(1.446.070)	2.717.706
Net increase/(decrease) in cash and cash equivalents	17.076	(1.042.936)
Cash and cash equivalents, at beginning of year (Note 38)	2.664.392	3.707.328
Cash and cash equivalents, at end of year (Note 38)	2.681.468	2.664.392

Notes on pages 8 to 49 form an integral part of these financial statements

Notes to the financial Statements

1. General information

Emporiki Bank ("Emporiki Bank" or the "Bank") operates in all banking activities (retail, corporate) as well as in investment banking, asset management, portfolio management and in general financial services. The Bank's registered office is at 11 Sofocleous Str. and its registration number as "Societe Anonyme" is 6064/06/B/86/03. The Bank offers services in Greece through its network of 351 branches and abroad through its branches in London and Germany as well as through its subsidiaries in Cyprus, Bulgaria, Albania, and Romania.

Emporiki Bank was established in Greece in 1907 and its shares are listed on the Athens Stock Exchange in the "Low Dispersion and Specific Features" category.

Its web site address is www.emporiki.gr.

The members of the Board of Directors, on 31st of December 2009 are as follows:

Executive members		
Alain	Strub	Chief Executive Officer, Vice Chairman
Bruno-Marie	Charrier	Deputy Chief Executive Officer
Fokion	Dimakakos	Member
Despina	Chalkidis	Member
Georgios	Spiliopoulos	Member

Non-executive members		
Jean-Frederic	De Leusse	Chairman
Bertrand	Badre	Member
Luc	Demazure	Member
Bernard	Mary	Member
Yves	Nanquette	Member
Jean - Francois	Marchal	Member
Haralampos	David	Member
Nikolaos	Ebeoglou	Member
Alexandra	Papalexopoulou	Member
Jean-Yves	Hoher	Member
Giampriero	Maioli	Member
Emmanuelle	Yannakis	Member
Achilleus	Constantakopoulos	Member

Independent non-executive members		
Christoforos	Chatzopoulos	Member
Konstantinos	Papadiamantis	Member

The Board of Directors of the Bank approved these Financial Statements on 17th of February 2010

The Bank's financial statements are included in the consolidated financial statements of Credit Agricole S.A. The registered office of Credit Agricole S.A. is at 91-93, Boulevard Pasteur, 75015 Paris, France and its web site address is www.credit-agricole.fr

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Standards effective for year ended 31 December 2009

- IAS 1 (Revised) "Presentation of Financial Statements"

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive

income) or two statements (the income statement and statement of comprehensive income). The Bank has elected to present one statement. The financial statements have been prepared under the revised disclosure requirements.

- IFRS 8 “Operating Segments”

This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity’s chief operating decision maker and are reported in the financial statements based on this internal component classification. This has resulted in no change in the number of reportable segments presented.

- IAS 23 (Amendment) “Borrowing Costs”

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The amendment will not impact the Bank as all applicable borrowing costs were capitalized.

- IFRS 2 (Amendment) “Share Based Payment” – Vesting Conditions and Cancellations

The amendment clarifies the definition of “vesting condition” by introducing the term “non-vesting condition” for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Bank’s financial statements.

- IAS 32 (Amendment) “Financial Instruments: Presentation” and IAS 1 (Amendment) “Presentation of Financial Statements” – Puttable Financial Instruments

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain statements relating to puttable instruments classified as equity. This amendment does not impact the Bank’s financial statements.

- IAS 39 (Amended) “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment does not have a significant impact on the Bank’s financial statements.

(b) Interpretations and amendments effective for year ended 31 December 2009

- IFRIC 13 – Customer Loyalty Programmes

This interpretation clarifies the treatment of entities that grant loyalty award credits such as “points” and “travel miles” to customers who buy other goods or services. This interpretation is not relevant to the Bank’s operations.

- IFRIC 15 - Agreements for the construction of real estate

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognize revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognize revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Bank’s operations.

- IFRIC 16 - Hedges of a net investment in a foreign operation

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Bank as the Bank does not apply hedge accounting for any investment in a foreign operation.

- Amendments to IFRS 7 - Financial instruments: Disclosures

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As these changes only result in additional disclosures, there is no impact on earnings per share.

- IFRIC 18 “Transfers of assets from customers” (effective for transfers of assets received on or after 1 July 2009)

This interpretation clarifies the requirements of IFRS for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Bank.

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

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. Its also requires management to exercise judgment in the process of applying the Bank’s accounting policies.

(c) Standards effective after year ended 31 December 2009

- IFRS 3 (Revised) “Business Combinations” and IAS 27 (Amended) “Consolidated and Separate Financial Statements” (effective for annual periods beginning on or after 1 July 2009)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Bank will apply these changes from their effective date.

- IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2013)

IFRS 9 is the first part of Phase 1 of the Board’s project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity’s business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Bank is currently investigating the impact of IFRS 9 on its financial statements. The Bank cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Bank decide if IFRS 9 will be adopted prior to 1 January 2013.

(d) Interpretations effective after year ended 31 December 2009

- IFRIC 17 “Distributions of non-cash assets to owners” (effective for annual periods beginning on or after 1 July 2009)

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The Bank will apply this interpretation from its effective date.

2.1 Basis of preparation

The Financial Statements as at 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS), which have been adopted by the European Union, and those Standards and Interpretations approved by the International Accounting Standards Board.

The financial statements are presented in Euro, the Bank’s functional currency, rounded to the nearest thousand unless otherwise indicated.

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

2.2 Foreign currency translation

- (a) Functional and presentation currency

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

- (b) Transactions and balances

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

2.3 Derivative financial instruments and hedge accounting

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

Derivatives are initially recognized at acquisition cost on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, if market prices are not available

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Bank designates certain derivatives as either:

- (a) Hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge),
- (b) Hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge) or
- (c) Hedges of a net investment in a foreign operation (net investment hedge).

Hedge accounting is used for derivatives designated in this way provided certain criteria are met

The Bank designates certain derivatives as either hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge) or, hedges of highly probable future cash flows attributable to a recognized asset or liability, or a forecasted transaction (cash flow hedge) or hedges for a net investment in a foreign subsidiary. The Bank documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(c) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

2.4 Interest income and expense

Interest income and expense are recognized in the income statement for all instruments measured at amortized cost using the effective interest method, taking into account all fees and commissions paid or received between parties to the financial asset or expense over the points paid or received between parties to the contract. Interest and similar income includes interest income from loans and advances to customers, interest income from fixed and floating interest-bearing securities and also premium or discount amortization of securities and other financial instruments.

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

2.5 Fee and commission income

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

2.6 Dividend Income

Dividends are recognized in the income statement when the right to receive payment is established.

2.7 Financial assets

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

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

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

(b) Loans and receivables

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

(c) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. The Bank has designated securities, with a book value of 45.043 euro, as at 31 December 2009.

(d) Available-for-sale

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

Purchases and sales of financial assets at categories (a), (c), (d) above are recognized on settlement date – the date that a financial asset is delivered to or by the Bank, which for held to maturity assets and available for sale securities includes transaction costs. Loans and advances (category b) are recognized when cash is advanced to the borrowers.

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

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

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

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

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

2.8 Off-setting financial instruments

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

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

2.9 Sale and repurchase agreements

Securities sold subject to repurchase agreements (“repos”) are included in the financial statements of the Bank as assets; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate.

Securities purchased by the Bank under agreements to resell (“reverse repos”) are recorded as loans and advances to other banks or customers, as appropriate. These securities are not included in the Bank's financial statements.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

2.10 Impairment of financial assets

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

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

- a. significant financial difficulty of the issuer or obligor,
- b. a breach of contract, such as a default or delinquency in interest or principal payments,
- c. the Bank granting to the borrower, for economic or legal reasons relating to the borrower’s financial difficulty, a concession that the lender would not otherwise consider,
- d. it is becoming probable that the borrower will go bankrupt or will follow a financial restructuring,
- e. the disappearance of an active market for that financial asset because of financial difficulties,
- f. observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the bank, including:
 - adverse changes in the payment status of borrowers in the bank, or
 - national or local economic conditions that correlate with defaults on the assets in the bank

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

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

Impairment loss is considered the difference between the carrying amount at the date of the impairment test loss and the expected cash flows of the assets discounted using the original effective interest rate.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

In subsequent periods, possible change in expected cash flows as result of a change in the financial asset, are recognized in the income statement and the amount of the impairment loss is reversed or increased by adjusting the allowance account through the income statement.

2.11 Intangible assets – Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives (three to five years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

2.12 Property, plant and equipment

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

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

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

	<u>Years</u>
Buildings and leasehold improvements	40
Computer Hardware	3 to 4
Vehicles	5 to 7
Furniture and equipment	5 to 7

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

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

2.13 Investment property

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

2.14 Leases (The Bank as lessee)

Leases of fixed assets where the Bank has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease year. Fixed assets acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the year of the lease.

2.15 Cash and cash equivalents

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

2.16 Provisions

Provisions for restructuring costs and legal claims are recognized when:

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

2.17 Employee benefits

- (a) Short-term obligations

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

- (b) Post employment benefits

The Bank has only defined contribution plans. The contributions are recognized as employee benefit expense when they are due.

The current status of the Bank's obligations to pension funds is described in detail in note 33.

- (c) Employee termination benefits

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

In case the number of the beneficiary employees is not known precisely, termination benefits are recognized as a contingent liability.

2.18 Deferred tax

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

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary difference can be utilized.

Deferred taxes are presented separately as assets and liabilities and are not offset.

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

2.19 Debt securities and other debt issues

Debt securities issues and subordinated debt of the Bank are recognized initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. They are subsequently measured at amortized cost; any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.20 Share capital and own shares

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds. Directly attributable costs of issuing shares for the purpose of acquiring an entity are included in the cost of the acquired entity.

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

2.21 Fiduciary activities

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

2.22 Related-party transactions

Related parties include companies within the control of the Bank, companies for which the Bank exerts significant influence, Board of Directors members and their close family members. The bank enters into transactions with related parties in the usual course of its business.

2.23 Segment reporting

The business segments are the primary reporting format of the Bank. Taking into consideration the Bank's internal reporting system and organizational structure, the following reportable business segments have been identified:

- Retail banking
- Corporate banking
- Investment banking and Treasury
- Other

2.24 Comparatives

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

3. Financial risk Management

3.1 Financial risk factors

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

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

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

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

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

IRS contracts allow the Bank to convert long-term exposure from floating to fixed at a lower rate from that on inception. Through IRS the Bank agrees with third parties to swap at a notional amount the primarily difference between floating and fixed.

Interest rate risk arises from medium and long-term loans. Floating rate loans expose the Bank to cash flow risks. Fixed rate loans expose the Bank to fair value risks. It is the Bank's policy to have approximately their entire loan portfolio with floating rates.

3.2 Credit risk

Emporiki Bank's main strategic target is the effective management of the total undertaken risks in order to ensure an efficient use of capital in relation to risk appetite as well as business development.

The Bank assigns significant priority in developing internal risk rating tools that identify the level of risk associated with borrowers' creditworthiness based on specific characteristics per type of exposure. This effort is aligned with the requirements of the new Pillar II Regulatory framework, regarding the capital adequacy obligations and the norms of Emporiki Group.

The credit approval process is subject to a detailed risk monitoring, review and analysis on an on-going basis in accordance with the norms and practices of Credit Agricole SA.

Regarding the credit risk strategy per portfolio, the following have to be pointed out:

Corporate Credit Risk Strategy:

Regarding the corporate risk assessment, Emporiki has incorporated in the credit decision-making process "Anadefi", Credit Agricoles' rating model for corporate exposures. The above mentioned model uses a 15 grade scale for assessing the quality of the counterparty based on quantitative and qualitative criteria to calculate the inferred probability of default for each rating grade.

The existence of a quantitative credit rating system creates a basis to compare credit risk, allows the possibility of linking risk with pricing, assists the realization of more accurate provisions, facilitates the evaluation of capital requirements by supervisory authorities and contributes to more accurate credit approval processes.

Apart from the corporate rating tool, Emporiki in order to effectively assess concentration risk has established sector limits and limits per Group of counterparties, which are closely monitored and reviewed on an annual basis.

Additionally, the portfolio of the Corporate exposures is reviewed at least on a yearly basis taking into account both the Corporate and Risk Business lines, while the amount, the type and the complexity per exposure are approved by different delegation levels via specific Credit Decision Processes. As a result, a more diversified portfolio is achieved with less concentrated exposures.

Further to the above and regarding the Medium Companies after the establishment of Business Centres, the risk policy has been reviewed along with the following developments:

A monitoring process has been adopted aiming to prevent any risk increase. In specific, an alert procedure for downgraded borrowers has been established with special reference to incidents of non-payment, significant decrease of the activity, and other financial, legal and managerial events that may indicate a possible deterioration of the credit quality.

Specific guidelines have been developed for all SMEs exposures regarding the Bank's risk appetite and credit policy rules.

Professionals & Small Business Credit Risk Strategy:

For Professionals & Small Enterprises credit exposures, systemic control tools that verify the fulfilment of specific credit policy rules are applied via the fulfilment of the electronic credit application form.

During 2009 Emporiki acquired a new rating model for small companies with C category books. Moreover, a bespoke application scorecard, is used for small business and professionals.

The Approval process is centralized for these loans and in this concept the delegation power of the Branches has been decreased significantly.

Credit Risk Strategy for Individuals:

Credit financing to private individuals is primarily designed to meet consumer and housing (e.g. purchase, building, completion, extension, repair of a residential property, purchase of land for the building of a house or business premises) needs.

Lending to Individuals is mainly based upon the fulfilment of general credit policy rules, as well as upon bespoke application scorecards for consumer loans. Those scorecards are closely monitored by the Risk Management division in co-operation with Credit Agricole's via several validation and calibration procedures.

The entire approval process until the disbursement is Centralised in a Credit Centre who performs not only the assessment but also all the back office operations. In specific, this Unit is responsible to assess all requests based on the Credit Policy of the Bank, to verify the completeness and accuracy of the documentations, to check the collaterals' status (eg. full ownership etc.), to co-operate with the Real Estate Division for the evaluation of the collateral market value.

Regarding the housing credit a new bespoke application scorecard will be implemented during 2010. Furthermore, during the coming year the Bank will implement a new behavioural scorecard to assess all its existing individual customers.

3.2.1 Impairment and Provisions

The table below shows the percentage of the Bank's on-balance sheet items relating to loans and advances and the associated impairment provision for each of the Bank's internal credit rating categories:

	2009		2008	
	Loans & advances (%)	Impairment Provision (%)	Loans & advances (%)	Impairment Provision (%)
Standard monitoring	77,9	0,8	88,9	1,0
Special monitoring	2,8	6,0	1,2	8,7
Sub-standard	19,2	36,0	9,9	42,7
Total	100	7,7	100	5,2

3.2.2 Maximum exposure to credit risk before collateral held or other credit enhancements

The following table presents the Bank's maximum credit risk exposure as of 31/12/2009 and 31/12/2008, without including collateral held or other credit enhancements. For on-balance sheet assets, the credit exposures are based on their carrying amounts as reported on the balance sheet.

	Maximum Exposure	
	2009	2008
<u>Credit risk exposures relating to on-balance sheet assets are :</u>		
Treasury bills	254.592	27.192
Due from other banks	3.161.580	3.351.248
Trading securities - Debt securities	91.271	600.266
Derivative financial instruments	73.313	67.451
Loans and advances to customers:		
Loans to Individuals:		
Credit Cards	357.309	332.838
Term Loans	1.582.569	1.801.615
Mortgage Loans	7.386.655	7.647.274
Loans to corporate entities:		
Large Corporate Customers	6.887.376	6.438.073
Small and medium size enterprises (SME's)	4.277.166	5.224.053
Revolving Easy Business	474.085	489.344
Other receivables and share loans	146.143	86.175
Available-for-sale securities - Debt securities	1.172.516	1.527.154
Held-to-maturity securities	45.043	57.311
Other assets	293.564	149.539
<u>Credit risk exposures relating to off-balance sheet assets are :</u>		
Letters of guarantee	2.068.199	2.174.478
Total	28.271.381	29.974.011

3.2.3 Loans and advances

Loans and advances to customers and to banks are summarized as follows:

	2009		2008	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Neither past due nor impaired	15.066.130	3.161.580	15.986.989	3.351.248
Past due but not impaired	3.483.604	-	4.555.524	-
Impaired	4.324.550	-	2.687.558	-
Gross Total	22.874.284	3.161.580	23.230.071	3.351.248
Less: allowance for impairment	1.762.980	-	1.210.699	-
Net Total	21.111.304	3.161.580	22.019.372	3.351.248

(a) Loans and advances neither past due or impaired by rating class

31 December 2009

	Credit cards	Term Loans	Mortgages	Loans to corporate entities	SMEs	revolving Easy Business	Other receivables	Loans and advances to customers	Loans and advances to banks
Standard monitoring	229.471	852.942	4.993.706	5.728.470	2.060.072	279.010	146.143	14.289.814	3.161.580
special monitoring	-	-	20	219.460	125.568	-	-	345.049	-
sub-standard	44	17.491	108.894	295.029	9.707	102	-	431.267	-
Total	229.515	870.433	5.102.620	6.242.960	2.195.347	279.112	146.143	15.066.130	3.161.580

31 December 2008

	Credit cards	Term Loans	Mortgages	Loans to corporate entities	SMEs	Revolving Easy Business	Other receivables	Loans and advances to customers	Loans and advances to banks
standard monitoring	211.159	1.147.281	5.618.954	5.578.660	2.828.556	269.156	86.174	15.739.940	3.351.248
special monitoring	-	-	23	102.849	77.206	-	-	180.077	-
sub-standard	-	3.584	57.516	-	5.862	10	-	66.972	-
Total	211.159	1.150.865	5.676.493	5.681.509	2.911.624	269.166	86.174	15.986.989	3.351.248

(b) Loans and advances past due but not impaired

The gross amount of loans and advances by class to customers that were past due but not impaired is shown to the following tables:

31 December 2009

	Loans to individuals			Total
	Credit cards	Term Loans	Mortgages Loans	
Past due up to 30 days	65.048	165.355	608.805	839.207
past due 30-90 days	14.285	88.693	312.920	415.898
past due 90-180 days	1.980	11.636	152.836	166.452
past due more than 180 days	-	-	12.848	12.848
Total	81.313	265.684	1.087.409	1.434.406

	Loans to Corporate entities			Total
	Loans to corporate entities	SMEs	Revolving Easy Business	
Past due up to 30 days	459.503	1.289.552	104.919	1.853.974
past due 30-90 days	32.546	117.790	25.889	176.225
past due 90-180 days	222	3.722	3.812	7.757
past due more than 180 days	-	11.243	-	11.243
Total	492.271	1.422.307	134.620	2.049.198

31 December 2008

	Loans to individuals			Total
	Credit Cards	Term Loans	Mortgage Loans	
Past due up to 30 days	69.916	221.537	679.919	971.371
past due 30-90 days	22.893	120.563	346.568	490.024
past due 90-180 days	3.926	15.974	125.099	144.999
Past due more than 180 days	-	-	6.217	6.217
Total	96.735	358.074	1.157.803	1.612.611

	Loans to Corporate entities			Total
	Loans to corporate entities	SMEs	Revolving Easy Business	
Past due up to 30 days	692.773	1.879.514	138.677	2.710.964
past due 30-90 days	32.842	143.018	44.770	220.630
past due 90-180 days	-	4.134	6.960	11.094
past due more than 180 days	-	225	-	225
Total	725.615	2.026.891	190.407	2.942.913

(c) Loans and advances individually impaired

The breakdown of the gross amount of individually impaired loans and advances by customer class are as follows:

31 December 2009

	Credit cards	Term Loans	Mortgages	Loans to corporate entities	SMEs	Revolving Easy Business	Other Business receivables	Total
Impaired loans	124.839	814.959	1.534.454	348.047	1.283.128	204.805	14.318	4.324.550
	124.839	814.959	1.534.454	348.047	1.283.128	204.805	14.318	4.324.550
out of which have less than 90 pdp	14.347	192.568	429.159	120.310	161.240	19.840	-	937.464
Allowance for impairment	78.357	368.507	337.828	195.901	623.616	144.453	14.318	1.762.980

31 December 2008

	Credit cards	Term Loans	Mortgages	Loans to corporate entities	SMEs	Revolving Easy Business	Other Business receivables	Total
Impaired loans	81.517	573.030	1.050.345	178.727	688.883	99.433	15.623	2.687.558
	81.517	573.030	1.050.345	178.727	688.883	99.433	15.623	2.687.558
out of which have less than 90 pdp	7.527	134.396	205.463	35.136	132.252	13.379	-	528.153
Allowance for impairment	56.573	280.353	237.367	147.777	403.344	69.662	15.623	1.210.699

3.2.4 Debt securities, treasury bills and other eligible bills

The table below presents an analysis of debt securities, treasury bills and other eligible bills by rating agency designation at 31 December 2009, based on Moody's rating.

	Treasury bills	Trading securities	Available-for-sale securities	Held-to-maturity securities	Total
Aaa	-	-	-	-	-
Aa1 - Aa3	-	-	258.717	45.043	303.760
A1 - A3	-	2.019	426.281	-	428.300
Baa1 - Baa3	254.592	89.252	487.518	-	831.362
Total	254.592	91.271	1.172.516	45.043	1.563.422

3.2.5 Concentration of risks of financial assets with credit risk exposure

(a) Geographical Sectors

The geographical concentration allocates exposures to regions based on the counterparties' country of domicile. The Bank's credit exposure, by geographical region as of 31 December 2009 and as of 31 December 2008, is mainly concentrated in Europe.

(b) Industry Sectors

31 December 2009	Financial Institutions	Manufacturing	Real Estate & Construction	Whole sale & Retail Trade	Public Sector	Other Industries	Individuals	Total
Treasury bills	-	-	-	-	254.592	-	-	254.592
Due from other banks	3.161.580	-	-	-	-	-	-	3.161.580
Trading securities - Debt securities	-	-	-	-	91.271	-	-	91.271
Derivative financial instruments	73.313	-	-	-	-	-	-	73.313
Loans and advances to customers:								
Loans to Individuals:								
Credit Cards	-	-	-	-	-	-	357.309	357.309
Term Loans	-	-	-	-	-	-	1.582.569	1.582.569
Mortgage Loans	-	-	-	-	-	-	7.386.654	7.386.654
Loans to corporate entities:								
Large Corporate Customers	733.819	799.060	753.174	3.694.029	227.996	679.298	-	6.887.376
Small and medium size enterprises	2.026	401.539	507.608	2.356.984	35.202	973.808	-	4.277.166
Revolving Easy Business	-	61	28	128	-	1.107	472.760	474.085
Other receivables	-	-	-	-	-	146.143	-	146.143
Available-for-sale securities - Debt securities	866.746	-	-	-	305.770	-	-	1.172.516
Held-to-maturity securities	-	-	-	-	-	45.043	-	45.043
Other assets	-	-	-	-	-	293.564	-	293.564
Total	4.837.484	1.200.660	1.260.810	6.051.141	914.831	2.138.963	9.799.292	26.203.181
As at 31 December 2008	5.188.270	1.416.661	1.237.558	6.390.644	1.209.851	2.088.928	10.267.622	27.799.534

3.3 Market risk

Market risk is the risk that the value of a portfolio, either an investment portfolio or a trading portfolio, will decrease due to the change in value of the market risk factors. For Emporiki Bank, the market risk factors are mainly interest rates and foreign exchange rates and consequently the associated market risk are:

- Interest rate risk is the risk (variability in value) borne by an interest-bearing asset, such as a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.
- Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

There are a number of standard calculations that Emporiki uses for measuring Market Risk on a portfolio consisting of bonds and derivatives. The most common techniques include:

- Marking to market, calculating the net market value of the assets and liabilities, sometimes called the "market value of portfolio equity".
- Calculating the bond's duration and Basis Point Value, the sensitivity of the asset's price to interest rate movements.

- Calculating the Value-at-Risk of the portfolio
- Applying Stress testing on the market value by shifting the yield curve in a specific way.

Value at Risk is the calculation of the potential loss amount due to market risk, according to the assumption that the composition of the portfolio measured remains unchanged over the specified period. The VAR model assumes a certain ‘holding period’ until positions can be closed (1 day) and the level of confidence is equal to 99%. There is therefore a specified statistical probability (1%) that actual loss could be greater than the VAR estimate. It also assumes that market moves occurring over this holding period will follow a similar pattern to those that have occurred over 1-day period in the past. Emporiki bank assessment of past movements is based on data for the past one year. Emporiki applies these historical changes in rates, prices, indices, etc. directly to its current positions – a method known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/factors used in the VAR calculation. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. As VAR constitutes an integral part of Emporiki’s market risk control regime, the ALCO committee annually for all trading and non-trading portfolio operations establishes VAR limits.

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests include: risk factor stress testing, where stress movements are applied to each risk category; and ad hoc stress testing. The results of the stress tests are reviewed by senior management and presented to ALCO Committee.

VAR summary for 2009 and 2008

(a) Trading and Non - Trading portfolio VAR by Risk Type

	01/01- 31/12/2009			01/01- 31/12/2008		
	Average	High	Low	Average	High	Low
Foreign exchange risk	87	421	3	79	139	-
Interest rate risk	1.512	2.495	701	1.276	1.884	785
Equities risk	223	532	4	682	1.285	455
Total VAR	1.550	2.536	945	1.640	2.160	1.078

(b) Trading portfolio VAR by Risk Type

	01/01- 31/12/2009			01/01- 31/12/2008		
	Average	High	Low	Average	High	Low
Foreign exchange risk	61	136	4	39	117	-
Interest rate risk	833	1.082	532	1.227	1.815	608
Equities risk	-	-	-	190	995	-
Total VAR	838	1.095	501	1.293	1.828	608

(c) Non – Trading portfolio VAR by Risk Type

	01/01- 31/12/2009			01/01- 31/12/2008		
	Average	High	Low	Average	High	Low
Foreign exchange risk	128	196	32	19	207	-
Interest rate risk	204	436	65	438	1.340	126
Equities risk	334	919	3	538	747	293
Total VAR	378	915	80	657	1.397	347

3.4 Liquidity risk

Liquidity risk is the risk arising from the difference between the maturity of asset and liability items. Liquidity risk expresses the danger that the Bank cannot fulfil its obligations in the future due to these differences between financial instruments or transactions.

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

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

- Minimum reserve balance as defined by the Bank of Greece.
- Liquidity indexes defined by the Bank of Greece and internally.

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

The following table summarizes the financial assets and liabilities items of the Bank by remaining maturity as at the reporting date.

31 December 2009

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Not Defined maturity	Total
Cash and balances with Central Bank	808.341	-	-	-	-	203.097	1.011.438
Treasury bills	173.127	-	81.465	-	-	-	254.592
Due from other banks	2.093.642	82.362	115.866	438.349	424.102	7.259	3.161.580
Trading securities	-	-	51.843	35.722	312	3.395	91.271
Derivative financial instruments	-	-	-	-	-	73.313	73.313
Loans and advances to customers	5.007.426	1.765.949	2.817.139	5.317.004	7.966.774	(1.762.988)	21.111.304
Available-for-sale securities	34.037	31.038	170.689	489.502	447.249	30.519	1.203.034
Held-to-maturity securities	-	-	292	44.751	-	-	45.043
Other assets	553	5.796	-	938	-	286.277	293.564
Total financial assets	8.117.126	1.885.145	3.237.294	6.326.266	8.838.437	(1.159.130)	27.245.139
Due to other banks	4.115.660	2.590.172	850.062	-	-	-	7.555.894
Derivative financial instruments	-	-	-	-	-	136.070	136.070
Due to customers	9.530.761	1.375.100	3.664.833	315.538	-	174.916	15.061.149
Debt securities in issue	-	73	1.003.220	1.149.919	180.412	-	2.333.624
Other borrowed funds	-	-	-	-	1.072.043	-	1.072.043
Due to State pension fund	76.088	-	78.774	253.402	-	-	408.264
Other liabilities	-	-	-	-	-	226.103	226.103
Total financial liabilities	13.722.509	3.965.345	5.596.889	1.718.859	1.252.455	537.089	26.793.146
Net equity	(5.605.383)	(2.080.200)	(2.359.595)	4.607.407	7.585.982	(1.696.218)	451.993
31 December 2008							
Total financial assets	6.931.770	1.843.801	5.050.328	6.517.869	8.588.906	(316.596)	28.616.078
Total financial liabilities	13.933.982	3.962.872	5.058.969	4.842.390	988.321	503.662	29.290.196
Net equity	(7.002.212)	(2.119.072)	(8.641)	1.675.479	7.600.586	(820.258)	(674.118)

3.5 Establishment of fair values

The fair value of quoted investments, which are negotiable in active markets/stock exchanges, such as derivatives, shares, bonds, mutual funds, is established based on current bid prices valid at balance sheet date.

If the market for a financial asset is not active (and for unlisted securities), fair values are established by using valuation techniques and assumptions based on market statements at the balance sheet date.

3.6 Fair values financial assets and liabilities

a) Financial instruments not measured at fair value

The following table presents the book and fair values for the financial instruments (assets and liabilities) that are not measured in fair value:

	Book Value		Fair Value	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Financial Assets				
Due from other banks	3.161.580	3.351.248	3.161.580	3.351.248
Loans and advances to customers (after provisions)	21.111.304	22.019.372	22.177.295	21.726.378
Held-to-maturity securities	45.043	57.311	45.043	54.318
Financial Liabilities				
Due to other banks	7.555.894	4.122.719	7.555.894	4.122.719
Due to customers	15.061.149	17.998.744	15.061.149	17.998.744
Debt securities in issue	2.333.624	5.532.975	2.317.057	5.409.241
Other borrowed funds	1.072.043	814.122	1.038.352	787.402

The fair value of the loans and advances to customers is calculated by discounting the future cash flows with the appropriate interest rates for similar term. The calculation of the fair value of debt securities in issue is based on discounting future cash flows with inter-bank rates and according to the duration.

The fair value of a financial instrument reflects the price at which an asset can be traded or a debt settled, between informed parties, willing to conclude a transaction at normal price.

The fair value indicated above represent estimations as of the closing date. They are subject – amongst other factors- to adjustments, according to market conditions prevailing at the valuation date. Those calculations represent our best possible estimate. It is based on a set of assumptions. Since the underlying models include uncertainties, the fair values may not materialize if those financial instruments were to be sold or settled in the future.

In practical terms, and on a going concern basis, the overall value of those instruments could not materialize through an immediate market transaction.

b) Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1– Quoted prices (unadjusted) in active markets for identical assets or liabilities.

This level includes listed equity securities and debt instruments on exchanges (for example, London Stock Exchange, Frankfurt Stock Exchange, New York Stock Exchange) and exchanges traded derivatives like futures (for example, Nasdaq, S&P 500).

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

3.6.1 Assets and Liabilities measured at fair value

31 December 2009	Level 1	Level 2	Level 3	Total
Financial Assets held for trading				
Debt securities	345.863	-	-	345.863
Derivatives	-	62.510	-	62.510
Hedging Derivatives	-	10.803	-	10.803
Available for sale financial assets				
Investment securities – debt	1.172.516	-	-	1.172.516
Investment securities - equity	24.548	5.971	-	30.519
Total Assets	1.542.927	79.284	-	1.622.211
Financial liabilities held for trading				
Derivatives	-	67.880	-	67.880
Hedging derivatives	-	68.190	-	68.190
Total Liabilities	-	136.070	-	136.070

4. Critical accounting estimates, and judgements in applying accounting policies

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factor, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment on loans and advances

The Bank reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows.

(b) Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair value, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

(c) Impairment of available-for-sale equity investments

The Bank determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

(d) Income taxes

The Bank recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Due to state pension funds

The estimates, judgements and assumptions, concerning the liabilities to State pension funds are illustrated in Note 33.

5. Segment reporting

<u>From 1/1 to 31/12/2009</u>	Total	Retail banking	Corporate banking	Investment banking & treasury	Other
Net interest income	502.519	291.338	114.703	96.478	-
Net fee and commission income	114.578	89.036	33.489	8.719	(16.666)
Other income	44.127	-	-	(28.515)	72.642
Net Operating Income	661.224	380.374	148.192	76.682	55.976
Staff costs	413.464	333.316	25.612	13.326	41.210
Impairment losses on loans and other receivables	623.578	571.722	51.856	-	-
Other provisions	7.679	-	-	-	7.679
Other operating expenses	185.265	149.430	11.228	8.515	16.092
Total Operating Expenses	1.229.986	1.054.468	88.696	21.841	64.981
Profit / (loss) before tax	(568.762)	(674.094)	59.496	54.841	(9.005)

<u>From 1/1 to 31/12/2008</u>	Total	Retail banking	Corporate banking	Investment banking & treasury	Other
Net interest income	581.604	496.680	94.203	(9.279)	-
Net fee and commission income	122.528	100.791	24.712	9.901	(12.876)
Other income	(21.513)	-	-	(25.551)	4.038
Net Operating Income	682.619	597.471	118.915	(24.929)	(8.838)
Staff costs	406.506	327.707	25.181	13.102	40.516
Impairment losses on loans and other receivables	464.774	439.685	25.089	-	-
Other provisions	19.149	-	-	-	19.149
Other operating expenses	188.249	151.838	11.408	8.652	16.351
Total Operating Expenses	1.078.678	919.230	61.678	21.754	76.016
Profit / (loss) before tax	(396.059)	(321.759)	57.237	(46.683)	(84.854)

*2008 figures have been adjusted for comparisons reasons

Retail banking includes all services and products offered to individuals, freelance professionals and SMEs.

Corporate banking includes products and services offered to large corporations and shipping companies.

Investment banking and Treasury include financial services, consulting and transaction services on capital exchange issues and on dealing room activities.

Other includes all non-financial and administrative and back office functions of the Bank.

6. Net Interest Income

	1/1-31/12/2009	1/1-31/12/2008
Interest & similar income		
Cash and short-term funds	72.508	150.251
Bonds/ Treasury bills	164.463	329.464
Loans and advances	795.722	1.097.896
	1.032.693	1.577.611
Interest expense & similar charges		
Banks and customers	375.732	704.086
Debt securities	107.110	213.166
Securities and repos	2.966	17.206
Obligations to pension funds	14.422	17.018
Other borrowing funds	29.944	44.531
	530.174	996.007
Net interest income	502.519	581.604

7. Net fee & commission Income

	1/1-31/12/2009	1/1-31/12/2008
Fee & commission income		
Loans	27.382	23.170
Working capital	6.012	7.318
Letters of guarantee	14.968	13.156
Credit cards	21.749	26.353
Imports – Exports	4.371	5.409
Other commissions	62.597	66.682
	137.079	142.088
Fee & commission expense		
Credit cards	4.717	5.466
Guarantees accepted by Credit Institutions	14.742	12.875
Other	3.042	1.219
	22.501	19.560
Net fee & commission income	114.578	122.528

8. Dividend Income

	1/1-31/12/2009	1/1-31/12/2008
Subsidiaries and associates	34	20.296
Trading portfolio	-	11
Available-for-sale portfolio	412	6.645
Dividend income	<u>446</u>	<u>26.952</u>

9. Net trading results

	1/1-31/12/2009	1/1-31/12/2008
Net profit / (loss) from transactions and foreign exchange valuation	6.311	5.042
Net profit / (loss) from sale and valuation of bonds	1.592	(10.369)
Net profit / (loss) from sale and valuation of shares and other variable yield	-	(5.568)
Net profit / (loss) from sale and valuation of derivatives	(5.531)	(36.481)
Profit from sale of receivables	-	150
Net trading results	<u>2.372</u>	<u>(47.226)</u>

10. Gain less losses of investment portfolio

	1/1-31/12/2009	1/1-31/12/2008
Net profit from mutual funds units sales	(256)	3.180
Net profit from sale of subsidiaries and associates	6.126	185
Impairment of subsidiaries	(36.667)	-
Impairment of bonds	(1.395)	-
Impairment of shares	(194)	-
Net profit/losses from sale of available for sale bonds	-	(10.153)
Net profit from shares sale	1.053	1.511
Total result of investment portfolio	<u>(31.333)</u>	<u>(5.277)</u>

11. Other Income

	1/1-31/12/2009	1/1-31/12/2008
Rental income	1.253	1.221
Proceeds from written-off receivables	2.007	1.691
Gain / (loss) from sale of fixed assets	40.214	(566)
Net gain from the buy-back of debt securities in issue	27.274	-
Other income	1.894	1.692
Other operating income	<u>72.642</u>	<u>4.038</u>

12. Staff Costs

	1/1-31/12/2009	1/1-31/12/2008
Salaries and wages	258.721	260.552
Social security costs (principal and auxiliary plans)	84.961	86.306
Other benefits	69.782	59.648
Total staff costs	<u>413.464</u>	<u>406.506</u>

Total personnel of Emporiki Bank as at 31 December 2009 were 5.220 compared to 5.506 as at 31 December 2008.

13. Other Operating Expenses

	1/1-31/12/2009	1/1-31/12/2008
Fees and third party expenses	18.296	18.534
Third parties fees	51.047	47.239
Insurance fees	2.662	2.147
Taxes and duties	19.128	20.155
Other expenses	73.389	76.517
Other operating expenses	<u>164.522</u>	<u>164.592</u>

14. Income tax expense

	1/1-31/12/2009	1/1-31/12/2008
Tax for the year (provision)	38.810	29.349
Deferred taxation (Note 32)	(20.934)	61.757
Income tax expense	<u>17.876</u>	<u>91.106</u>

15. Earnings per share

	1/1-31/12/2009	1/1-31/12/2008
Attributable profits/ (losses) to the Bank shareholders	(586.638)	(487.165)
Average number of shares (excluding own shares)	233.573.580	132.520.973
Basic and diluted earnings / (losses) per share (Euro)	<u>(2,5116)</u>	<u>(3,6761)</u>

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

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding during the year and the profit or loss attributable to ordinary equity holders for all the effects of dilutive potential ordinary shares. There were no outstanding dilutive ordinary shares during the year is presented in these financial statements.

The weighted average number of shares for all of the comparative years presented, have been adjusted by a factor of 1,00097 in order to reflect the bonus element of the rights issue.

16. Cash and balances with Central Bank

	31/12/2009	31/12/2008
Cash	228.475	281.763
Deposits at Central Bank excluding obligatory deposits for liquidity purposes	100.818	80.055
Cheques' receivables – Central Bank clearing office	3.707	8.955
Included as cash and cash equivalents (Note 38)	333.000	370.773
Obligatory deposits at Central Bank	677.954	414.623
Accrued Interest	484	849
Cash and balances with Central Bank	1.011.438	786.245

Obligatory deposits with Central Bank is a requirement set by the Bank of Greece for all financial institutions established in Greece and are equal to 2% of total customer deposits excluding the first € 100 thousands. The Bank is also required to maintain a current account with Bank of Greece in order to facilitate inter-bank transactions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

17. Due from other Banks

	31/12/2009	31/12/2008
Cheques receivables	5.910	10.500
On demand	183.727	211.957
Placements in other banks	1.967.584	1.990.661
Other amounts due	17.362	53.764
Included as cash and cash equivalents (Note 38)	2.174.583	2.266.882
Placements in other banks not included in cash and cash equivalents	983.365	1.069.354
Loans and borrowings in other banks	3.632	15.012
Due from other banks	3.161.580	3.351.248

18. Trading Securities

	31/12/2009	31/12/2008
Trading securities portfolio		
Bonds issued by Hellenic Republic banks not included as cash and cash equivalents	91.271	600.266
Total Trading securities	91.271	600.266

19. Derivative financial instrument

	31/12/2009			31/12/2008		
	Contract/ Nominal value	Fair Value		Contract/ Nominal value	Fair Value	
		Assets	Liabilities		Assets	Liabilities
1) Derivatives held for trading						
a) Currency derivatives						
Currency forwards	52.432	550	857	602.188	1.396	1.611
Currency swaps & synthetic swaps	1.168.183	3.870	3.740	983.415	15.375	8.319
Currency options	21.652	460	460	97.908	4.594	4.594
Total		4.880	5.057		21.365	14.524
b) Interest rate derivatives						
Interest rate swaps	3.052.865	54.658	60.474	3.422.061	45.800	63.890
Caps & Floors	999.098	2.956	2.349	156.047	266	310
Total		57.614	62.823		46.066	64.200
c) Bond Futures						
Exchange traded bond / futures	7.500	16	-	67.100	-	432
Total		16	-		-	432
Total derivative held for trading		62.510	67.880		67.431	79.156
(2) Derivatives designated as fair value hedge						
Interest rate derivatives						
Interest rate swaps	5.516.300	10.803	68.189	1.346.300	20	54.425
Total derivatives designated as fair value hedges		10.803	68.189		20	54.425
Total derivatives assets/liabilities		73.313	136.070		67.451	133.581

20. Loans and advances to customers

Loans to individuals	31/12/2009	31/12/2008
Credit cards	435.666	389.411
Term loans	1.951.077	2.081.968
Mortgage loans	7.713.877	7.871.333
	10.100.620	10.342.712
Loans to corporate entities		
Large Corporate Customers	7.054.721	6.540.874
Small and medium size enterprises	4.891.811	5.607.245
Freelancers (Easy Business)	617.288	557.088
	12.563.820	12.705.207
Other advances	160.461	101.797
Accrued Interest	49.383	80.355
Total loans and advances to customers	22.874.284	23.230.071
Less: Impairment losses on loans and advances	(1.762.980)	(1.210.699)
	21.111.304	22.019.372
Floating interest rate	17.857.110	16.402.979
Fixed interest rate	4.967.791	6.746.737
Total loans and advances to customers	22.824.901	23.149.716

Impairment losses on loans and advances

Changes on impairment losses for loans and advances are summarised as follows:

Balance at 1 January	1.210.699	951.543
Transfer from Emporiki Germany	12.312	-
Transfer to investments in associates	-	(9.500)
Impairment losses on loans and advances	637.148	476.349
Unwinding (Realisation of impairment loss) and write-offs	(97.179)	(207.693)
Balance at 31 December	1.762.980	1.210.699

Reconciliation of allowance account for losses on loans & advances by class is as follows:

	Loans to individuals			
	Credit cards	Term Loans	Mortgages	Total
Balance at 1 January 2008	52.477	170.563	115.761	338.801
impairment losses on loans and advances	26.355	141.310	121.677	289.343
unwinding and write offs	(22.259)	(31.520)	(71)	(53.850)
Balance 31 December 2008	56.573	280.353	237.367	574.293

	Credit cards	Term Loans	Mortgages	Total
Balance at 1 January 2009	56.573	280.353	237.367	574.293
impairment losses on loans and advances	40.900	123.311	100.561	264.772
unwinding and write offs	(19.116)	(36.509)	(100)	(55.725)
Transfer from Emporiki Germany		1.352		1.352
Balance 31 December 2009	78.357	368.507	337.828	784.692

Loans to corporate entities					
	Loans to corporate entities	Small and medium enterprises	Revolving Easy Business	Other receivables	Total
Balance at 1 January 2008	196.783	315.637	59.839	40.484	612.743
impairment losses on loans and advances	23.285	141.108	20.810	1.804	187.006
unwinding and write offs	(62.791)	(53.400)	(10.987)	(26.665)	(153.843)
Transfer to other provisions	(9.500)	-	-	-	(9.500)
Balance 31 December 2008	147.777	403.344	69.662	15.623	636.407

	Loans to corporate entities	Small and medium enterprises	Revolving Easy Business	Other receivables	Total
Balance at 1 January 2009	147.777	403.344	69.662	15.623	636.406
impairment losses on loans and advances	51.856	245.325	75.195	-	372.376
unwinding and write offs	(8.300)	(31.445)	(404)	(1.305)	(41.454)
Transfer from Emporiki Germany	4.568	6.392	-	-	10.960
Balance 31 December 2009	195.901	623.616	144.453	14.318	978.288

The impairment losses on loans and advances presented in the income statement include the net gain from the sale of non-performing loans and the proceeds from written-off receivables totaling to € 13.569 (€ 11.575 for the period 01/01-31/12/2008).

21. Available-for-sale securities

	31/12/2009	31/12/2008
Available-for-sale securities		
Bonds issued by Hellenic Republic	305.770	349.001
Bonds of other issuers	866.746	1.178.153
Listed shares	1.414	3.144
Non listed shares	2.906	2.223
Mutual funds units	26.198	24.929
Available-for-sale securities	1.203.034	1.557.450

In accordance with the amendment of IAS 39 “Reclassification of Financial Assets”, the Bank has reclassified during 2008 corporate bonds amounted to € 102 million from the Trading portfolio into the Available-for-Sale portfolio. At 31 December 2009 the nominal and the fair value of these bonds was € 37,2 million and € 28,6 million respectively.

The gain from the revaluation difference recognized directly in equity for the fiscal year 2009, amounted to € 6,9 million. A gain of € 152 thousands from the sale of the reclassified bonds has been recognized in the income statement and is presented in the “Gains less losses from investment securities”.

22. Investments in subsidiaries / associates

The bank's investments in subsidiaries are analyzed as follows:

Company	Country of incorporation	% Held as at 31.12.09	Balance as at 31.12.09	% Held as at 31.12.08	Balance as at 31.12.08
1 EMPORIKI BANK-GERMANY	GERMANY	100,00%	16.042	100,00%	22.198
2 EMPORIKI BANK BULGARIA	BULGARIA	100,00%	30.108	100,00%	22.108
3 EMPORIKI BANK ALBANIA	ALBANIA	100,00%	31.012	100,00%	26.012
4 EMPORIKI LEASING	GREECE	-	-	80,00%	43.326
5 EMPORIKI BANK CYPRUS	CYPRUS	93,71%	34.140	91,92%	25.090
6 EMPORIKI VENT. CAPITAL DEVELOPED	CYPRUS	100,00%	16.376	100,00%	16.376
7 EMPORIKI VENT. CAPITAL EMERGING	CYPRUS	100,00%	15.882	100,00%	15.882
8 EMPORIKI GROUP FINANCE	UNITED KINGDOM	100,00%	18	100,00%	18
9 RESEARCH BANK FOR HISTORICAL ARCHIVES (Non- profit organization)	GREECE	99,90%	15	99,90%	15
10 EMPORIKI MEDIA	GREECE	99,00%	769	99,00%	769
11 EMPORIKI MANAGEMENT	GREECE	99,65%	6.514	99,65%	6.514
12 EMPORIKI BANK ROMANIA	ROMANIA	99,35%	19.988	99,35%	50.391
13 EMPORIKI ASSET MANAGEMENT AEDAK		-	-	73,10%	6.671
14 TOTAL CARE EMPORIKI DEVELOPMENT AND REAL ESTATE MANAGEMENT	GREECE	70,00%	192	70,00%	259
15 GREEK INDUSTRY OF BAGS	GREECE	100,00%	34.197	100,00%	34.197
16 EMPORIKI LIFE	GREECE	58,71%	263	58,71%	263
17 EMPORIKI CREDICOM	GREECE	-	-	50,00%	5.000
18 EMPORIKI INSURANCES	GREECE	-	-	50,00%	63.450
19	GREECE	-	-	50,00%	4.500
			205.516		343.039

The bank's investments in associates are analyzed as follows:

Company	Country of incorporation	% Held as at 31.12.09	Balance as at 31.12.09	% Held as at 31.12.08	Balance as at 31.12.08
1 INCURIAM INVESTMENT LTD	CYPRUS	20,00%	451	20,00%	767
2 EULER HERMES EMPORIKI	GREECE	21,71%	1.514	21,71%	1.514
3 INDUSTRY OF PHOSPHORIC FERTILIZERS	GREECE	-	-	33,24%	16.900
			1.965		19.181

The movement in the investment portfolio is summarized as follows:

	Investments in subsidiaries		Investments in associates	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Opening balance	343.039	287.121	19.181	2.281
Addition	23.550	66.749	-	26.400
Reduction	(124.447)	(10.831)	(17.176)	-
Impairment	(36.626)	-	(40)	(9.500)
Closing balance	205.516	343.039	1.965	19.181

EMPORIKI BANK S.A

Financial Statements – December 31, 2009

Amounts in Euro thousands (unless otherwise expressed)

The Bank's Board of Directors during 2007 decided, to cease the operations of "EMPORIKI BANK GERMANY GmbH" and to initiate the liquidation process of the company. In the beginning of 2008, the Management decided to continue part of the operations in Germany through branches and has undertaken the obligation to purchase any remaining portfolio of the under liquidation subsidiary. From 2009, Emporiki Bank operates in Germany through its branch which has undertaken the customer portfolio of the subsidiary.

During the second quarter of 2009, the carrying amount of the aforementioned subsidiary has been impaired by € 5.2 million, in order to reflect the amount that will be received when the liquidation procedure is completed.

During the second quarter of 2009, the share capital of Emporiki Life, was increased by € 3 million represented by 857.142 new shares. Emporiki Bank participated in this share capital increase by 100% of its share with the contribution of € 1.5 million.

During the third quarter 2009, the Bank covered by 100% the share capital increase of "EMPORIKI BANK CYPRUS LTD" and is represented by 5.292.397 new shares. Emporiki Bank participated in this share capital increase by 100% of its share with the contribution of € 9 million.

The Bank, on 15 September 2009, transferred its participation in "PHOSPHORIC FERTILIZERS INDUSTRY S.A" to the company under the trade name "ELFE S.A" in total consideration of € 29.7 million.

The Bank, on 04 August 2009, covered by 100% the share capital increase of "EMPORIKI BANK ALBANIA S.A" and is represented by 41,336 new shares. Emporiki Bank participated in this share capital increase with the contribution of € 5 million.

The Bank on 15 December 2009, covered by 100% the share capital increase of its subsidiary "EMPORIKI BANK BULGARIA EAD" with the contribution of € 8 million.

The Bank, on 31 December 2009 completed the procedure of transferring its participation percentages in the companies Emporiki Leasing S.A, Emporiki Asset Management M.F.M.C, Emporiki Credicom Bank S.A, Emporiki Life Insurance Company S.A and Emporiki Insurance Hellenic Insurance Company S.A in total consideration for each company of 1) € 43.5 million , 2) 13.5 million, 3) € 24,9 million, 4) € 30,7 million and 5) 10,4 million to the corresponding Crédit Agricole Group companies

During 2009, the carrying amount of "EMPORIKI BANK ROMANIA S.A" has been impaired by € 31.3 million due to the adverse country market conditions.

23. Intangible Assets

	<u>Software</u>
1 January 2008	
Cost	64.854
Accumulated depreciation	<u>(56.090)</u>
Net book value	<u>8.764</u>
31 December 2008	
Opening net book value	8.764
Additions/(Disposals)	4.994
Change in depreciation	<u>(4.050)</u>
Closing net book value	<u>9.708</u>
31 December 2008	
Cost	69.848
Accumulated depreciation	<u>(60.140)</u>
Net book value	<u>9.708</u>
31 December 2009	
Opening net book value	9.708
Additions/(Disposals)	3.846
Change in depreciation	<u>(4.120)</u>
Closing net book value	<u>9.434</u>
31 December 2009	
Cost	72.825
Accumulated depreciation	<u>(63.391)</u>
Net book value	<u>9.434</u>

24. Property, plant and equipment

	Land	Buildings and leasehold improvements	Other tangible assets	Total
1 January 2008				
Cost	172.170	95.152	211.711	479.033
Accumulated depreciation	-	(9.949)	(167.334)	(177.283)
Net book value	172.170	85.203	44.377	301.750
31 December 2008				
Opening net book value	172.170	85.203	44.377	301.750
Additions/(Disposals)	-	3.391	12.103	15.494
Change in depreciation	-	(2.631)	(16.129)	(18.760)
Closing net book value	172.170	85.963	40.351	298.484
31 December 2008				
Cost	172.170	98.544	223.814	494.527
Accumulated depreciation	-	(12.581)	(183.463)	(196.043)
Net book value	172.170	85.963	40.351	298.484
31 December 2009				
Opening net book value	172.170	85.963	40.351	298.484
Additions/(Disposals)	(36.251)	(11.909)	6.014	(42.146)
Change in depreciation	-	(5.568)	(9.970)	(15.538)
Closing net book value	135.919	68.486	36.395	240.800
31 December 2009				
Cost	135.919	86.634	222.969	445.522
Accumulated depreciation	-	(18.148)	(186.574)	(204.722)
Net book value	135.919	68.486	36.395	240.800

25. Investment Property

	Land	Buildings and equipment	Total
1 January 2008			
Cost	61.543	36.668	98.211
Accumulated depreciation	-	(2.802)	(2.802)
Net book value	61.543	33.866	95.409
31 December 2008			
Opening net book value	61.543	33.866	95.409
Additions/(Disposals)	(80)	7.791	7.711
Impairment of assets	(2.029)	-	(2.029)
Change in depreciation	-	(847)	(847)
Closing net book value	59.434	40.810	100.244
31 December 2008			
Opening net book value	59.434	44.459	103.893
Additions/(Disposals)	-	(3.649)	(3.649)
Change in depreciation	59.434	40.810	100.244
31 December 2009			
Opening net book value	59.434	40.810	100.244
Additions/(Disposals)	5.334	9.165	14.499
Impairment of assets	(638)	-	(638)
Change in depreciation	-	(1.065)	(1.065)
Closing net book value	64.130	48.910	113.040
31 December 2009			
Cost	64.130	53.624	117.754
Accumulated depreciation	-	(4.714)	(4.714)
Net book value	64.130	48.910	113.040

26. Other assets

	31/12/2009	31/12/2008
Prepaid expenses	194	186
Accrued income	11.677	3.912
Other	281.693	145.441
Total	293.564	149.539

27. Due to banks

	31/12/2009	31/12/2008
Borrowings from banks	7.555.871	4.122.718
Current accounts	23	1
Total	7.555.894	4.122.719

28. Due to customers

	31/12/2009	31/12/2008
Deposits from legal entities		
Sight accounts	1.411.170	1.241.662
Term deposits	897.423	1.876.174
	2.308.593	3.117.836
Deposits from individuals		
Current accounts	495.960	464.158
Term deposits	5.759.127	8.529.430
Saving accounts	6.351.651	5.663.486
	12.606.738	14.657.074
Cheques and remittances payable	110.913	102.633
Accrued interest	34.905	121.201
	15.061.149	17.998.744
Fixed interest rate	6.656.550	10.405.604
Floating interest rate	8.258.781	7.369.306
Total deposits	14.915.331	17.774.910

Fixed rate deposits include term deposits in euro and foreign currency.

29. Debt securities in issue

	31/12/2009	31/12/2008
Debt securities	2.329.766	5.499.959
Other credit titles	73	73
Accrued interest	3.785	32.943
Total	2.333.624	5.532.975

Until the 31st of December 2009 Emporiki Bank repaid, through the special purpose entity “Lithos Mortgage Financing Plc”, € 79.696.147 mortgage backed securities.

As at 31 December 2009, the Bank owned debt securities issued by Lithos Mortgage Financing Plc and Emporiki Finance Plc , with a total value of € 84.167.551.

During the second quarter, Emporiki Bank called back debt securities with a total nominal value of € 3.090.000.000.

In 2009 Emporiki Bank issued, through Emporiki Finance Plc, debt of € 50 million bearing an interest of 3m Euribor + 3% and maturing 21.12.2011

30. Other borrowed funds

	31/12/2009	31/12/2008
Subordinated notes	350.000	339.006
Subordinated notes due to the parent company	300.000	300.000
Hybrid securities due to the parent company	420.000	170.000
Accrued interest	2.043	5.116
Total	<u>1.072.043</u>	<u>814.122</u>

On 19 June 2009, Emporiki Bank issued perpetual subordinated hybrid debt (eligible as Tier I) with a nominal value of € 250.000.000 bearing an interest rate of 3m Euribor plus 4,75%. The debt is callable after 5 years from the date of issue.

On 5 August 2009, Emporiki Bank through “Emporiki Group Finance PLC” proceeded to call a dated subordinated note issue of € 350 million 5 years after its issue. The same time, the Bank issued a new perpetual subordinated debt with a nominal value of € 350 million bearing an interest of 3m Euribor plus 1,79%. This debt is callable after 10 years from the date of issue.

31. Other liabilities

	31/12/2009	31/12/2008
Dividends payable	250	435
Accrued expenses and deferred income	45.648	53.519
Other	180.205	152.287
Total	<u>226.103</u>	<u>206.241</u>

32. Deferred tax assets/liabilities

	31/12/2009	31/12/2008
Deferred tax assets		
Intangible assets write-off	2.354	124
Impairment of loans and receivables	164.918	129.131
Provision for the cost of transfer to ETEAM & ETAT	81.653	96.362
Commissions recognition based on effective interest rates	3.022	3.332
Impairment of investments for companies under clearing process	5.600	5.600
Provision for staff expenses	7.285	6.816
Other provisions	18.224	17.951
Other temporary tax differences	(6)	(5)
	283.050	259.311
Deferred tax liabilities		
Reduced depreciation rates for buildings	4.750	4.258
	4.750	4.258
Net deferred tax assets	278.300	255.053

The movement of the net deferred tax assets is as follows:

At 1 January	255.053	316.810
Income statement	20.934	(61.757)
Share premium		
Share capital expenses write-off	2.313	-
At 31 December 09	278.300	255.053

The charge/ (release) of deferred tax assets and liabilities through the income statements is as follows:

	31/12/2009	31/12/2008
Deferred tax (income statement)		
Intangible assets variation	82	440
Provision for the cost of transfer to ETEAM & ETAT	14.709	17.759
Impairment of loans and receivables	(126.580)	(115.627)
Commissions recognition based on real interest rates	310	(543)
Provision for staff expenses	(468)	453
Reduced depreciation rates for buildings	492	888
Other provisions	(273)	(2.102)
Impairment of investments at companies under clearing process	-	(3.088)
Other temporary tax differences	-	(249)
Change of tax rates	-	83.826
Reassessment of recoverability	90.794	80.000
	(20.934)	61.757

The Management of the Bank, taking into consideration the current financial circumstances of the Bank and the effect of the market conditions, decided to undertake provisioning policy by reducing the deferred tax asset by € 90.8 million.

33. Obligations to pension funds

The submission of the Auxiliary Pension Fund (TEAPETE) for the Bank's employees to the provisions of the laws 3371/2005 and 3455/2006 resulted to a) the diminution of the Bank's disadvantage to pay higher social contributions and b) the transparency regarding the estimated actuarial loss of the Bank.

Following the provisions of the new law 3371/2005, an economic study was performed by independent specialized actuaries, in order to determine the cost of including TEAPETE into the above-mentioned auxiliary funds (IKA-ETEAM and ETAT). This economic study was completed within the 1st quarter of 2006 and was approved by the relevant committee of the Ministry of Economy and Finance and it was ratified by law (L. 3455/2006). According to the study the Bank will pay to IKA-ETEAM and ETAT, for its pensioners a special contribution of €786,3 millions in total (upfront or within a period of 10 years bearing an interest rate of 3,53%). In addition, the Bank will be obliged to pay additional contributions compared to those defined by ETEAM regulations for its employees hired before 31/12/2004 through to retirement. The terms of the payment of the increased contributions were not defined by Law 3371/2005 but were established following a ministerial decision IKA Φ20203/19189/931/7.11.06. The Bank proceeds to the payment of the scheduled installments as these were defined in the economic study mentioned above. The outstanding balance of the liability as at 31.12.2009 was € 408.2 millions.

The Employee Union has litigated the aforementioned submission and has proceeded relevant legal actions. For one legal action, which was discussed in the First Instance Court of Athens, the ruling was issued, number 116/2008, and judged that the provisions of Law 3455/2006 are unconstitutional and the termination of employee contracts relating the Bank, the Employee Union and the TEAPETE is abusive. The Bank has proceeded legal action against the aforementioned court ruling which was discussed on 24.03.2009. During the aforementioned trial the Greek State has proceeded intervention in favor of the Bank. The Court of Appeal judgment number 4007/2009 (published 30.06.2009) rejected the Bank's appeal and validated the First Instance judgment. On December 2009, the Bank has appealed before the Supreme Court of Appeal and the determination of the hearing date is still waited. The economic impact of the judgment cannot be currently assessed.

34. Other provisions

Other provisions are summarized as follows:

	31/12/2009	31/12/2008
Provisions for tax issues	61.085	32.223
Provisions for non-used vacation leaves	595	1.750
Provisions for litigations	50.568	48.636
Provisions for suspense accounts & other receivables	53.882	50.558
Provisions for guarantees given	20.277	19.777
Other provisions	2.229	2.213
Total	188.636	155.157

The movement of other provisions is analyzed as follows:

	Tax	Non-used Vacation leaves	Litigations	Suspense accounts and other receivables	Guarantees given	Other	Total
Balance 01/01/2008	7.434	7.500	37.461	44.100	19.777	1.199	117.471
Charge	24.821	1.228	12.243	6.458	-	1.100	45.850
Utilization	-	(6.978)	(1.068)	-	-	-	(8.046)
Translation differences	(32)	-	-	-	-	(86)	(118)
Balance 31/12/2008	32.223	1.750	48.636	50.558	19.777	2.213	155.157
Balance 01/01/2009	32.223	1.750	48.636	50.558	19.777	2.213	155.157
Charge	28.849	1.500	4.541	3.324	3.000	-	41.214
Utilization	-	(2.654)	(2.609)	-	(2.500)	-	(7.763)
Translation differences	13	-	-	-	-	15	28
Balance 31/12/2009	61.085	596	50.568	53.882	20.277	2.228	188.636

According to the contract of purchase and selling agreement of 08.03.2007 between the Bank and Groupama Phoenix, (relatively the transferring of shares to Groupama International), there are two arbitral awards against the Bank which will be judged by the International Chamber of Commerce since the arbitral court will be set up.

In accordance with the arbitral awards of 05.06.2009 and 26.06.2009, the Bank is called to pay the amount of € 5,9 and € 11,3 million respectively given the forcing of the Bank to the statements and guarantees of Groupama Phoenix, while any extraordinary expenses that may arise, when the judge of arbitral awards between Bank and Groupama will be completed.

35. Contingent liabilities and commitments

a) Legal issues

The Bank during the normal course of its business is a defendant in claims from customers and other legal actions for which the Bank has made a provision. According to the consultation of the Bank's Legal division the ultimate disposition of these matters is not expected to have any, further, material effect on the financial position or operations of the Bank.

b) Tax issues

Tax authorities have audited Emporiki Bank for all years up to and including 2006

c) Commitments

	31/12/2009	31/12/2008
Letters of guarantee	2.068.199	2.174.478
Unused approved credit limits	17.441.719	17.000.927
Total	19.509.918	19.175.405

d) Pledged assets

Pledged assets as at 31 December 2009 amount to € 1.541.005 (€1.627.690 as at 31 December 2008) including Hellenic Republic and other issuers bonds pledged by the Bank of Greece for the purposes of transactions through TARGET, by the derivatives clearing house (ETESSEP) as margin insurance and pledged by foreign financial institutions for funding purposes.

Additionally, on 31 December 2009 loans with a total nominal value of € 645.405 have been pledged by the Bank of Greece for funding purposes.

Finally, bonds with a nominal value of € 33.248 are provided as collateral as part of repurchasing agreements (repos) with other credit institutions.

36. Share capital and own shares

The share capital as at 31 December 2009 amounts to € 1.577.664.968 comprising by 286.848.176 ordinary shares of € 5,5 nominal value each At 31 December 2008, amounted to € 728.153.074 comprising by 132.391.468 ordinary shares of € 5,5 nominal value each.

The share capital increase of the Bank through payment in cash and rights offering to existing shareholders pursuant to the resolution taken by the Extraordinary General Meeting of the shareholders on 26 February 2009, which started on 16/04/2009 and lasted until 30/04/2009, was covered at a percentage of 82,16% with payment in cash of an amount of € 697.928.539, that corresponds to 126.896.098 new common, registered shares, while 27.560.610 shares remained undisposed.

Pursuant to the resolution taken by the Board of Directors of the Bank on May 4, 2009, the aforementioned undisposed shares were distributed at its discretion to its major shareholder, Crédit Agricole S.A. thus the final percentage of the coverage of the Share Capital Increase comes to 100% and the final amount of the Share Capital Increase amounts to € 849.511.894.

Following the above, the Bank's share capital increased in cash by € 849.511.894, through the offer of 154.456.708 new common, registered shares, with a nominal value of € 5,50 each.

On December 14th 2009, the Extra-Ordinary General Assembly of the Shareholders approved the decrease of the Bank's Share Capital by the amount of partially written off accumulated accounting losses amounting to € 1.290.816.792 by reduction of the share's nominal price from € 5,50 to € 1,00 and the simultaneous share capital increase by payment in cash of the amount of € 989.421.312,51 by issue and offer of 225.380.709 new, common, intangible, registered with vote rights shares of the Bank of nominal value € 1.00 each and

offer price € 4,39 for each share. For those new shares and for the whole amount of the share capital increase pre-emptive right is provided to the existing shareholders.

Crédit Agricole S.A. intends to participate and exercise its full preference rights in the proposed share capital increase of Emporiki Bank by payments in cash, to take up under the same terms any remaining shares, after exercise of shareholders preference rights, that may be offered to Crédit Agricole S.A. by the Board of Directors of Emporiki Bank in accordance with applicable law, and to maintain its equity stake as this will be effected after the share capital increase and at least for a period of 6 months following the listing of the new shares. Within this context Crédit Agricole S.A. advanced on 22nd December 2009 an amount of € 600.000.000 in cash for the aforementioned approved share capital increase of Emporiki Bank.

37. Other reserves

	31/12/2009	31/12/2008
Statutory reserve	114.405	114.405
Valuation reserve of available-for-sale investments	(83.004)	(142.759)
Reserves from disposal of treasury shares	52.466	52.466
Other reserves	495.639	495.639
	579.506	519.751

Statutory reserve and revaluation reserve of available-for-sale investments cannot be distributed. Other reserves concern reserves formed by gains from sales of listed securities and taxable income that has not been distributed. These reserves have been taxed.

The movement of the available-for-sale revaluation reserve is summarized as follows:

	31/12/2009	31/12/2008
Opening balance	(142.759)	8.368
Profit / (loss) from revaluation	58.360	(147.432)
Recycling to the income statement from disposal	-	(3.695)
Recycling to the income statement from impairment	1.395	-
Closing balance	(83.004)	(142.759)

38. Cash and cash equivalents

	31/12/2009	31/12/2008
Cash and balances with Central Bank (Note 16)	333.000	370.773
Treasury securities	173.885	26.737
Due from banks (Note 17)	2.174.583	2.266.882
Total	2.681.468	2.664.392

39. Related party transactions

The major shareholders of the Bank as at 31 December 2009 is Credit Agricole and other companies of Credit Agricole Group with participating interest of 91,49% and pension funds with participating interest of 2,12%. The remaining shares are widely held and traded on the Athens Stock Exchange.

a) **Transactions and balances with Board of Directors members and Executive Committee members**

	1/1 - 31/12/2009	1/1 - 31/12/2008
Board of Director's fees* and Executive Committee fees	5.743	4.405
	31/12/2009	31/12/2008
Deposits	890	2.222
Loans	396	158

* The fees of the non-executive members of the Board of Directors of the Bank amount to € 230 thousands for 2009 and € 390 thousands for 2008.

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

b) **Transactions and balances with subsidiaries and associates:**

Subsidiaries

	31/12/2009	31/12/2008
Assets		
Due from other banks	659.306	1.270.993
Loans and advances to customers	-	494.775
Other assets	1.428	10.120
	660.734	1.775.888

Liabilities

Due to banks	165.130	181.506
Derivative financial instruments	14	-
Due to customers	53.910	84.210
Debt securities in issue	2.182.395	5.450.500
Other borrowed funds	652.000	653.233
Other liabilities	1.067	2.035
	3.054.516	6.371.484

Income

	1/1 - 31/12/2009	1/1 - 31/12/2008
Interest & similar income	48.918	61.873
Fee & commission income	8.393	9.691
Net trading results	-	721
Other operating income	2.182	1.119
	59.493	73.404

Expense

Interest expense & similar charges	128.705	237.469
Fee & commission expense	566	193
Staff costs	(1.741)	(2.560)
Net trading results	102	-
Other operating expenses	7.216	10.791
	134.848	245.893

Associates

	31/12/2009	31/12/2008
Assets		
Loans and advances to customers	-	42.154
Liabilities		
Due to customers	-	5.338
	1/1 - 31/12/2009	1/1 - 31/12/2008
Income		
Interest & similar income	1.227	2.499
Expense		
Interest expense & similar charges	28	132

c) **Transactions and balances with Credit Agricole Group**

	31/12/2009	31/12/2008
Assets		
Due from other banks	2.962.760	1.873.556
Loans and advances to customers	506.028	-
Derivative financial instruments – assets	16.138	1.405
Other assets	14.789	6.964
	3.499.715	1.881.925
Liabilities		
Due to other banks	6.970.421	2.288.664
Due to customers	90.654	-
Debt securities in issue	2.182.395	4.790.000
Other borrowed funds	1.072.140	470.000
Derivative financial instruments – liabilities	104.933	96.733
Other liabilities	9.502	31.106
	10.430.045	7.676.503
	1/1 - 31/12/2009	1/1 - 31/12/2008
Income		
Interest & similar income	61.582	89.809
Fee & commission income	9.201	-
Net trading results	(4.277)	44.878
Other operating income	31.159	-
	97.665	134.687
Expense		
Interest expense & similar charges	165.960	295.814
Fee & commission expense	16.938	53
Staff costs	2.056	-
Other operating expenses	8.777	13.831
	193.731	309.698

The related party transactions and balances are summarized as follows:

	1/1 - 31/12/2009	1/1 - 31/12/2008
Income	158.385	210.590
Expense	328.607	555.723
Fees for Board of Directors members and key management personnel	5.743	4.405
	<u>492.735</u>	<u>770.718</u>

	31/12/2009	31/12/2008
Assets	4.160.449	3.699.967
Liabilities	13.484.561	14.053.325
Receivables from Board of Directors members and key management personnel	396	158
Liabilities to Board of Directors members and key management personnel	890	2.222
	<u>17.646.296</u>	<u>17.755.672</u>

40. Dividends paid

For the accounting year of 2008, no dividend distribution was proposed at the shareholders Annual General Meeting, held on 2nd April 2009.

41. Auditors' fees

The total fees charged by the Bank's statutory auditor, for the financial year of 2009, are analysed as follows :

Fees for statutory audit assignment	835
Fees for other audit assignments	373
Fees for tax consulting services	90
Fees for other non-audit assignments	677
Total	<u>1.975</u>

42. Capital adequacy

The Bank's solvency ratio is calculated in accordance with PD/BOG 2587/20.08.2007 "Definition of equity for credit institutions in Greece" and PD/BOG 2588/20.08.2007 "Solvency ratio for credit institutions".

Based on the current legislative framework, the Capital adequacy relevant index is analyzed as follows (amounts in billion euros):

Weighted Assets on credit risks	17,31
Weighted Assets on market risks	0,24
Weighted Assets on operational risks	1,25
Total risk Weighted Assets	<u>18,80</u>
Regulatory Shareholder's Equity	
Tier #1 Capital	1,72
Tier #2 Capital	0,54
Deductions from total capital	(0,01)
Total Regulatory Equity	<u>2,25</u>

The relevant ratio at 31 December 2009 is estimated to be at 11,9% for the Bank.

The calculation of the Capital Adequacy Ratio as of 31 December 2009, has taken into account the guarantee received by the parent company Credit Agricole S.A and the cash advance for the approved share capital increase.

43. Post balance sheet events

The Bank, on 02 February 2010, bought-out of the (full) stake, currently owned by Mr. Leonidas Ioannou, in the Bank’s subsidiary Emporiki Bank Cyprus Ltd., in total 500.000 common shares that represent 2,0970% of the total share capital of the later. Consequently the Bank increased its participation to the subsidiary “EMPORIKI BANK CYPRUS LIMITED” by 95,81% and is represented by 22.844.373 shares. The Bank intends to buy-out of the (full) stake, in order to acquire the 100% of the share capital of Emporiki Bank Cyprus Ltd.

The Bank, on 09 February 2010, covered by 100% the share capital increase of its subsidiary “EMPORIKI BANK ROMANIA S.A.” by disbursing the amount of 78,517,500 RON. The share capital of “EMPORIKI BANK ROMANIA S.A.” after the increase, amounts to 274,606,512.22 RON and corresponds to 160,934 common shares of nominal value 1,706.33 RON each. Consequently, EMPORIKI BANK OF GREECE S.A., owns 160,192 shares of EMPORIKI BANK ROMANIA S.A. which represent the 99,54% of its share capital.

The Bank intends to start negotiations in order to sell its participation percentage in the company “Greek industry of bags and Plastic Products Co S.A”.

44. Reclassifications

Certain amounts in prior years have been reclassified to conform to the current presentation. The reclassifications in the income statement, which are related to the fee and commission expense, staff costs and other operating expenses, are analyzed as follows:

Income Statement

	1 January -31 December 2008		
	As restated	As published	Reclassified
Staff costs	(406.506)	(393.826)	(12.680)
Other operating expenses	(164.592)	(177.272)	12.680
TOTAL OPERATING EXPENSES	(1.078.678)	(1.078.678)	-

V. Financial Statements and Information of Emporiki Bank S.A and the Group



EMPORIKI BANK OF GREECE S.A.

FINANCIAL DATA AND INFORMATION FOR THE YEAR FROM JANUARY 1, 2009 TO DECEMBER 31, 2009

(Published according to Law 2190/1920 Article 135, concerning companies that prepare annual financial statements under International Financial Reporting Standards (IFRS) (amounts in thousands of Euro))

The financial statements set out below, provide a general presentation of the financial position and results of Emporiki Bank S.A. and its Group of Companies. Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site www.emporiki.gr, where the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) are available together with the Certified Auditor's opinion.

COMPANY INFORMATION

Web Site address:	www.emporiki.gr
Date of approval of the Financial Statements from the BoD:	February 17, 2010
Certified Auditor/Accountant:	Dimitris Souras (AM SOEL 16891)
Auditing Company:	PRICEWATERHOUSE COOPERS A.E.E (AM SOEL 113)
Registered Head Office:	11 Sofokleous street, Athens 105 64
Companies Registration Number:	0054016/06003
Supervising prefecture:	Prefecture of Athens
Type of Auditor's Report:	Unqualified opinion - Emphasis of matter
Date of issuance of Auditor's Report:	February 17, 2010

STATEMENT OF FINANCIAL POSITION

	Consolidated		Bank	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
ASSETS				
Cash and Balances with Central Bank	1,085,351	895,375	1,011,438	786,245
Treasury Bills	254,592	27,192	254,592	27,192
Due from Other Banks	2,529,596	2,092,861	3,161,580	3,351,248
Trading Securities	91,377	612,258	91,271	600,236
Derivative Financial Instruments-Assets	73,313	67,451	73,313	67,451
Loans and Advances to Customers	22,124,167	23,709,823	21,111,304	22,019,372
Available for Sale Securities	1,226,648	1,626,017	1,203,034	1,557,450
Due to Maturity Securities	45,043	57,311	45,043	57,311
Investments in non consolidated subsidiaries	1,603	4,211	205,516	343,039
Investments in Associates	1,976	28,539	1,965	19,181
Intangible Assets	13,180	13,600	8,434	9,708
Property, Plant and Equipment	294,456	339,700	240,800	298,494
Investment Property	117,497	104,788	113,400	100,244
Deferred Tax Assets	285,268	272,759	283,050	259,311
Income Tax Advance	2,462	9,574	1,344	9,347
Other Assets	307,202	168,283	283,664	149,539
TOTAL ASSETS	28,423,917	30,028,622	28,100,288	29,655,388
LIABILITIES				
Due to Other Banks	7,397,685	3,954,388	7,555,894	4,122,719
Derivative Financial Instruments-Liabilities	136,055	133,580	136,070	133,581
Due to Customers	15,493,779	15,364,456	15,061,149	17,398,744
Debt Securities in Issue	2,233,624	5,529,789	2,233,624	5,532,975
Other Borrowed Funds	1,071,949	813,970	1,072,043	814,122
Due to State Pension Funds	408,264	481,810	408,264	481,810
Personnel Leaving Indemnities	4,255	4,973	-	-
Insurance Reserves	-	75,908	-	-
Other Provisions	195,259	166,824	188,636	155,157
Current Income Tax Liabilities	2,267	5,590	1	4,119
Deferred Tax Liabilities	6,638	10,861	4,750	4,258
Other Liabilities	236,098	239,603	226,103	206,241
TOTAL LIABILITIES	27,285,273	29,781,742	26,986,534	29,453,726
EQUITY				
Share Capital	1,577,665	728,153	1,577,665	728,153
Cash advance for share capital increase	600,000	-	600,000	-
Share Premium	360,906	371,404	360,960	371,497
Other Reserves	585,884	527,472	579,508	510,751
Retained Earnings/Losses	(1,385,546)	(907,842)	(1,417,739)	(930,374)
Result for the year	(582,585)	(491,574)	(586,638)	(487,165)
TOTAL EQUITY	1,136,324	227,433	1,113,754	201,682
Minority Interests	2,154	1,417	-	-
TOTAL EQUITY & MINORITY INTERESTS	1,138,518	246,880	1,113,754	201,682
TOTAL LIABILITIES AND EQUITY	28,423,917	30,028,622	28,100,288	29,655,388

CASH FLOW STATEMENT

	Consolidated		Bank	
	1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008
Net cash flows from operating activities	1,133,377	(3,373,650)	911,997	(3,657,546)
Net cash flows from investing activities	433,617	(19,187)	551,149	(103,096)
Net cash flows from financing activities	(1,445,070)	2,717,707	(1,446,070)	2,717,706
Net increase/(decrease) in cash & cash equivalents	121,924	(675,110)	17,076	(1,042,936)
Cash & cash equivalents at the beginning of the year	1,946,369	2,621,479	2,664,392	3,707,328
Cash & cash equivalents at end of the year	2,068,293	1,946,369	2,681,468	2,664,392

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR

	Consolidated		Bank	
	31/12/09	31/12/08	31/12/09	31/12/08
Equity at beginning of the year (01.01.2009 and 01.01.2008 respectively)	246,880	888,555	201,682	839,952
Total comprehensive income after income tax	(583,170)	(491,911)	(586,638)	(487,165)
Profit / loss for the year	58,704	(54,763)	59,755	(51,125)
Available-for-sale valuation	(5,653)	-	-	-
Foreign exchange differences	-	(20)	-	-
Appropriation of 2007	-	-	-	-
Changes in subsidiaries shareholding structure	-	1,015	-	-
Share Capital Increase	836,92	(60)	838,975	-
Cash advance for Share Capital Increase	600,000	-	600,000	-
Subsidiaries' disposal	(16,958)	-	-	-
Equity at end of the year (31.12.2009 and 31.12.2008 respectively)	1,138,518	246,880	1,113,754	201,682

STATEMENT OF COMPREHENSIVE INCOME

	Consolidated		Bank	
	Total	1/1 - 31/12/2009	Discontinued operations	Continued operations
Interest & Similar Income	1,133,377	30,241	1,103,531	-
Interest Expenses & Similar Charges	(560,309)	(5,523)	(561,932)	-
NET INTEREST INCOME	573,068	31,764	541,699	-
Fee and Commission Income	142,770	752	142,018	-
Fee and Commission Expense	(26,276)	(5,412)	(22,864)	-
NET COMMISSION INCOME	116,494	4,668	119,154	-
Net premiums from insurance contracts	61,253	61,253	-	-
Net claims and benefits on insurance contracts	(53,041)	(53,041)	-	-
NET INCOME FROM INSURANCE OPERATIONS	8,212	8,212	-	-
Dividend Income	631	640	567	-
Net Trading Results	11,363	(1,052)	12,415	-
Gain/Loss from Investment Securities	(4,310)	(5,369)	(5,369)	-
Other Operating Income	75,299	(724)	76,023	-
NET OPERATING INCOME	778,152	28,235	758,917	-
Staff Costs	(457,613)	(13,480)	(444,133)	-
Depreciation & Amortisation	(25,783)	(820)	(25,863)	-
Impairment Losses on Loans and Receivables	(669,915)	(19,233)	(660,882)	-
Other provisions	(7,778)	(27)	(7,751)	-
Other Operating Expenses	(192,651)	(5,953)	(198,604)	-
TOTAL OPERATING EXPENSES	(1,344,748)	(38,823)	(1,305,117)	-
Share of Profit/(Loss) of Associates	(1,094)	(506)	(588)	-
PROFIT / (LOSS) BEFORE INCOME TAX	(566,682)	(11,894)	(554,788)	-
Income Tax Expense	(24,240)	(2,498)	(21,742)	-
PROFIT / (LOSS) AFTER INCOME TAX	(590,922)	(14,392)	(576,530)	-
Profit / (loss) - from sale of subsidiaries	7,752	7,752	-	-
PROFIT / (LOSS) AFTER INCOME TAX	(583,170)	(6,640)	(576,530)	-
Attributable to:				
Equity Holders of the Bank	(582,585)	(6,742)	(575,843)	-
Minority Interest	(585)	102	(687)	-
Total comprehensive income after tax	(582,840)	(6,538)	(576,530)	-
Attributable to:				
Equity Holders of the Bank	(529,730)	(6,742)	(522,978)	-
Minority Interest	(59)	102	(69)	-
Basic earnings / (Losses) per share (in Euro) from discontinued operations	(2,465.4)	-	(2,465.4)	-
Basic earnings/(losses) per share from discontinued operations (in Euro)	(0.0289)	(0.0289)	-	-
Proposed dividend per share (in Euro)	-	-	-	-

MEMBERS OF THE BOARD OF DIRECTORS

DE LEUSSE	JEAN-FREDERIC	Chairman
STRUB	ALAIN	Chief Executive Officer, Vice Chairman
CHARRIER	BRUNO-MARIE	Deputy Chief Executive Officer
SPIRIDOPOULOS	GIORGOS	Member
DIMAKAKOS	FOKION	Member
CHALKIDIS	DESPINA	Member
BADRE	BERNARD	Member
MARY	BERNARD	Member
MARCHAL	JEAN - FRANCOIS	Member
DAVID	HARALAMPOS	Member
DEMAZURE	LUC	Member
NANQUETTE	YVES	Member
PAPALEXOPOULOU	ALEXANDRA	Member
EBROGLIOU	NIKOLAOS	Member
CONSTANTAKOPOULOS	ACHILLEUS	Member
HUCHER	JEAN -YVES	Member
MADLI	GIANFRANCO	Member
YANNAKIS	EMMANUELE	Member
PAPADAMANTIS	KONSTANTINOS	Member
CHRISTOFOROS	CHRISTOFOROS	Member

ADDITIONAL DATA & INFORMATION

1. Companies included in the Consolidated Financial statements, apart from Emporiki Bank, are presented in Note 22 and 23 in the Consolidated Financial statements as of December 31, 2009.

2. The main subsidiaries that were excluded from consolidation due to their immateriality as presented in Note 22 and 23 in the Consolidated Financial statements, are:

Company	Subsidiary
EMPORIKI MEDIA LTD	Subsidiary
BANKING DEVELOPMENT TRAINING AND RESEARCH CENTER	Subsidiary
TOTAL CAPITAL S.A.	Subsidiary
PRESERVILLE ENTERPRISES LTD	Subsidiary
ORIMSTONE HOLDINGS LTD	Subsidiary
DICAPRO	Subsidiary
MR SNACK	Subsidiary
RESEARCH BANK OF HISTORICAL ARCHIVES (Non-profit organization)	Subsidiary
INCURIAM INVESTMENT LTD	Associate

3. Tax authorities have audited Emporiki Bank, Emporiki Management, Emporiki Bank-Bulgaria and Greek Industry Of Bags for all years up to and including 2006. Emporiki Noncore Capital Devoted Markets Ltd, Emporiki Venture Capital Emerging Markets Ltd, Emporiki Group Finance Pte, and Emporiki Rent for all years up to and including 2009. Emporiki Bank-Germany, Emporiki Bank-Romania, Emporiki Bank-Albania for all years up to 2008 and Emporiki Bank - Cyprus for all years up to and including 2002. The subsidiary Emporiki Development & Real Estate has been tax audited for all years up to and including 2004.

4. The Management of the Bank, taking into consideration the current financial circumstances of the bank, decided to undertake provision policy by reducing the deferred tax asset by € 80 m.

5. The Board of Directors during 2007 decided, to cease the operations of "EMPORIKI BANK GERMANY GmbH" and initiate the liquidation process of the company which is still in progress. In the beginning of 2008, the Management decided to continue part of the operations in Germany through branches and to purchase any remaining portfolio of the under liquidation subsidiary. From 2009, Emporiki Bank operates in Germany through its branch which has undertaken the customer portfolio of the subsidiary mentioned above.

6. The Bank covered the share capital increase of subsidiaries, "Emporiki Lite", "Emporiki Bank Cyprus Ltd", "Emporiki Albania S.A." and "Emporiki Bank Bulgaria AD" by 100% with the contribution of € 1.5 m., € 5 m., € 5 m., € 8 m. and € 5 m. respectively. During the third quarter of 2009, the Bank transferred its participation in "PHOSPHORIC FERTILIZERS INDUSTRY S.A." in total consideration of € 29.7 m.

7. The Bank, on 31 December 2009 completed the procedure of transferring its participation percentages in the companies "Emporiki Leasing S.A.", "Emporiki Credit S.A." in total consideration for each company of 1) € 43.5 m., 2) € 13.5 m., 3) € 24.9 m., 4) € 30.7 m. and 5) € 10.4 m. to the corresponding Credit Agricole Group companies. In addition the Bank intends to start negotiations in order to sell its participation percentage in the company "Greek Industry for Bags and Plastic Products Co S.A."

8. During 2009, the carrying amount of "EMPORIKI BANK ROMANIA S.A." has been impaired by € 3.1 m. due to the adverse country market conditions.

9. There are no disputes under litigation and claims, which are expected to have a significant impact on the financial position of the Bank and its Group of companies. The accumulated provisions that have been raised for litigations, tax issues etc. are the ones listed below:

	Group	Bank
Provisions for litigations	61,113	50,588
Provisions for tax issues	65,536	61,085
Other provisions	28,664	-
Total	155,259	188,636

10. The number of staff employed by the Group as at December 31, 2009 were 6,430 and by the Bank 5,220. Respectively, as at December 31, 2008, the total employees of the Group were 6,869 and of the Bank 5,506.

11. The Bank's consolidated financial statements fully conform to the financial statements of "CREDIT AGRICOLE S.A." which is situated in France and participates in the Bank's share capital by 91.49%.

12. The related parties transactions and balances of the Group and the Bank for the period between 1/1/2009 and 31/12/2009 are summarised as follows:

	Group	Bank
a) Income	107,446	158,385
b) Expenses	193,959	228,607
c) Assets	3,499,715	4,160,449
d) Liabilities	10,430,046	13,464,661
e) Fees from Board of Directors members and key management personnel	5,773	5,743
f) Receivables from Board of Directors members and key management personnel	986	396
g) Liabilities to Board of Directors members and key management personnel	1,128	950

13. The matter of emphasis in the auditor's report, refers to the note 32 in the consolidated financial statements. On 18.01.2008 the first court decision concerning the obligations of Emporiki Bank to State Pension Funds was issued. The First Instance Court of Athens issued its ruling, number 119/2008, and judged that the provisions of Law 3655/2008 are unconstitutional and the termination of employee contracts relating to LEAFTE is invalid. The above court ruling is neither executable nor does it have any other immediate consequences for Emporiki Bank. The Bank has proceeded legal action against the aforementioned court ruling which was discussed on 24.03.2009. During the aforementioned trial the Greek State has requested intervention in favor of the Bank. The Court of Appeal Judgment number 4907/2009, rejected the Bank's appeal and validated the first Instance judgement. On December 2009, the Bank has appealed before the Supreme Court of Appeal. The economic impact of the judgment cannot be currently assessed.

14. On 16 June 2009, Emporiki Bank issued a perpetual subordinated note issue of € 350 m with an annual of the same time issued a new perpetual subordinated debt with a nominal value of € 450 m, through the offer of 154,458,708 new extended subordinated notes, with a nominal value of euro 5.50 each.

15. The debt is callable after 5 years from the date of issue.

16. During the second quarter of 2009, Emporiki Bank called back debt securities in issue with a total nominal value of € 3,090,000,000.

17. On 16 August 2009, Emporiki Bank needed to call a debt subordinated note issue of € 350 m bearing an interest of 3m euribor plus 1.79% and maturing 21.12.2011.

18. The share capital increase of the Bank through payment in cash and rights offering to existing shareholders pursuant to the resolution taken by the Extraordinary General Meeting of the shareholders on January 25, 2009, which started on 16/04/2009 and lasted until 03/04/2009, was covered at a percentage of 82.1% with payment in cash of an amount of euro 697,228,539.00, that corresponds to 126,896,098 new common, registered shares, while 27,560,610 shares remained unissued. Pursuant to the resolution taken by the Board of Directors of the Bank on May 4, 2009, the aforementioned unissued shares were distributed at its discretion to its major shareholder, Credit Agricole S.A. thus the final percentage of the coverage of the Share Capital increase comes to 100% and the final amount of the Share Capital increase amount to € 849,511,894.00. Following the above, the Bank's share capital increased in cash by euro 849,511,894.00, through the offer of 154,458,708 new extended subordinated notes, with a nominal value of euro 5.50 each.

19. Credit Agricole S.A. intends to participate in the proposed share capital increase of Emporiki Bank by payments in cash amount of € 989,421,312.51 that will take place in 2010, and within this context, the major shareholder, Credit Agricole S.A. advanced on 22nd December 2009 the amount of € 600,000,000 in cash for its participation.

20. The Bank, on 02 February 2010, bought-out of the (full) stake, currently owned by Mr. Leonidas Ioannou, in the Bank's subsidiary Emporiki Bank Cyprus Ltd. In total 500,000 common shares that represent 2.001% of the total share capital of the later. Consequently, the Bank increased its participation to the subsidiary "EMPORIKI BANK CYPRUS LIMITED" by 95.81% and is represented by 22,844,373 shares. The Bank intends to buy-out of the (full) stake, in order to acquire the 100% of the share capital of "Emporiki Bank Cyprus Ltd."

21. The Bank, on 02 February 2010, covered by 100% the share capital increase of its subsidiary "EMPORIKI BANK ROMANIA S.A." by disbursing the amount of 78,517,500 RON. Consequently, Emporiki Bank, owns 180,192 shares of "EMPORIKI BANK ROMANIA S.A." which represent the 99.54% of its share capital.

22. As for the Group and the Bank certain amounts in common, registered shares, with a nominal value of euro 5.50 each, were distributed at its discretion to its major shareholder, Credit Agricole S.A. thus the final percentage of the coverage of the Share Capital increase comes to 100% and the final amount of the Share Capital increase amount to € 849,511,894.00. Following the above, the Bank's share capital increased in cash by euro 849,511,894.00, through the offer of 154,458,708 new extended subordinated notes, with a nominal value of euro 5.50 each.

23. The financial statements of the Bank and of the Group were approved by the Board of Directors on February 17, 2010.

	Group	Bank
Provisions for litigations	61,113	50,588
Provisions for tax issues	65,536	61,085
Other provisions	28,664	-
Total	155,259	188,636

VI. Information Pursuant to Article 10 of Law 3401/2005

VII. INFORMATION PURSUANT TO ARTICLE 10 OF LAW 3401/2005

The Corporate announcements of the year 2009 are available on the web site of the Bank:

<http://www.emporiki.gr/cbg/gr/investors/announcements.jsp>

During 2009 the following announcements have been made:

- 26/01/09: Reply to the Capital Market Commission
- 02/02/09: Appointments in the Internal Audit General Division
- 04/02/09: New composition of the Remuneration Committee
- 04/02/09: New composition of the Audit Committee
- 04/02/09: Extraordinary Session of the General Meeting of the shareholders
- 04/02/09: The Report of the BoD of Emporiki Bank of Greece SA to the Extraordinary Shareholders General Meeting (26.2.2009)
- 10/02/09: Mr. Pierre-Rene-Henri Harang left the Bank
- 11/02/09: Crédit Agricole S.A proposals to the BoD and the Extraordinary General Assembly of the Shareholders of 26/02/2009
- 19/02/09: The financial results for the year 2008 on February 26, before the opening of the Athens Stock Exchange.
- 24/02/09: Amendment of Article 5 of the Bank's Articles of Association
- 24/02/09: Mr. Anthony Crontiras will leave Emporiki Bank
- 26/02/09: Resolutions of the Extraordinary Shareholders' Meeting
- 27/02/09: New composition of the Corporate Social Responsibility Committee
- 27/02/09: New composition of the Remuneration Committee
- 27/02/09: New composition of the Audit Committee
- 27/02/09: Mr. Alain Strub, new Chief Executive Officer
- 09/03/09: The Annual Ordinary General Meeting
- 11/03/09: Acquisition of Emporiki Bank's shares by C.A. on 09.03.2009
- 12/03/09: Acquisition of Emporiki Bank's shares by C.A. on 10.03.2009
- 13/03/09: Acquisition of Emporiki Bank's shares by C.A. on 11.03.2009
- 16/03/09: Acquisition of Emporiki Bank's shares by C.A. on 12.03.2009
- 17/03/09: Acquisition of Emporiki Bank's shares by C.A. on 13.03.2009
- 18/03/09: Acquisition of Emporiki Bank's shares by C.A. on 16.03.2009
- 19/03/09: Acquisition of Emporiki Bank's shares by C.A. on 17.03.2009
- 20/03/09: Acquisition of Emporiki Bank's shares by C.A. on 18.03.2009
- 23/03/09: Acquisition of Emporiki Bank's shares by C.A. on 19.03.2009
- 24/03/09: Acquisition of Emporiki Bank's shares by C.A. on 20.03.2009
- 26/03/09: Acquisition of Emporiki Bank's shares by C.A. on 23.03.2009
- 27/03/09: Acquisition of Emporiki Bank's shares by C.A. on 24.03.2009
- 30/03/09: Acquisition of Emporiki Bank's shares by C.A. on 26.03.2009

- 31/03/09: Acquisition of Emporiki Bank's shares by C.A. on 27.03.2009
- 01/04/09: Acquisition of Emporiki Bank's shares by C.A. on 30.03.2009
- 02/04/09: Acquisition of Emporiki Bank's shares by C.A. on 31.03.2009
- 03/04/09: Resolutions of the Annual Ordinary General Meeting
- 03/04/09: New composition of the Audit Committee
- 03/04/09: Acquisition of Emporiki Bank's shares by C.A. on 01.04.2009
- 06/04/09: Acquisition of Emporiki Bank's shares by C.A. on 02.04.2009
- 06/04/09: Share Capital Increase
- 07/04/09: Acquisition of Emporiki Bank's shares by C.A. on 03.04.2009
- 09/04/09: Acquisition of Emporiki Bank's shares by C.A. on 07.04.2009
- 09/04/09: Emporiki Bank intends to acquire additional share in the Bank's subsidiary Emporiki Bank Cyprus LTD
- 10/04/09: Acquisition of Emporiki Bank's shares by C.A. on 08.04.2009
- 28/04/09: Mr. Nikolaos Stergiakis and Mr. Didier Reboul left the Bank
- 30/04/09: The Q1 2009 financial results on May 11
- 04/05/09: Appointment of Mrs. Tatiana Linoxylaki as IR Officer.

- 05/05/09: Share capital increase completion
- 06/05/09: Credit rating by the international rating firm Standard & Poor's.
- 08/05/09: Commencement of trading of new shares issued after the share capital increase through payment in cash and rights offering to existing shareholders
- 14/05/09: Mrs Aikaterini Beritsi left the Bank
- 14/05/09: Appointment of Mr. Alain Strub as Vice-Chairman of the Bank's Board of Directors
- 14/05/09: Increase of Crédit Agricole's participation percentage in the share capital of Emporiki Bank
- 05/06/09: Emporiki Bank's share capital amount and voting rights following the share capital increase
- 07/07/09: Emporiki Group Finance PLC proceeds to call a dated subordinated (Lower Tier 2) note issue of Euro 350m
- 15/07/09: The H1 2009 financial results of Emporiki Bank to be announced on 29 July
- 01/09/09: Mr. George Benekos left the Bank
- 04/09/09: Annual update and increase of the Euro Medium Term Note Programme (EMTN)
- 10/09/09: Review of Business Plan
- 15/09/09: Emporiki Bank covered by 100% the share capital increase of its subsidiary "Emporiki Bank Cyprus LTD". The procedure has been successfully completed.
- 16/09/09: Emporiki Bank transferred its participation percentage in Phosphoric Fertilizers Industry S.A., to the company under the trade name "ELFE S.A."
- 23/09/09: Mr. Vincent Julita CFO of the Bank.
- 23/09/09: Acquisition of Emporiki Bank's shares by C.A. on 21.09.2009
- 24/09/09: Acquisition of Emporiki Bank's shares by C.A. on 23.09.2009

- 07/10/09: Emporiki Bank intends to start negotiations in order to sell its participation percentage in the company Greek Industry for Sacks and Plastic Products Co S.A.
- 07/10/09: Emporiki Bank intends to start negotiations with the Group of Crédit Agricole S.A. so that its participation percentage in its subsidiaries a) Emporiki Credicom Bank S.A. , b) Emporiki Asset Management M.F.M.C. , c) Emporiki Life Insurance Company S.A. , d) Emporiki Leasing S.A. and e) Emporiki Insurance Hellenic Insurance Company S.A. , to be sold to the corresponding Crédit Agricole Group product factories
- 07/10/09: Emporiki Restructuring and Development Plan Presentation
- 23/10/09: The financial results for 9M 2009 on Tuesday, November 3rd
- 03/11/09: Acquisition of Emporiki Bank's shares by C.A. on 30.10.2009
- 12/11/09: Share Capital Increase
- 13/11/09: Participation in the share capital increases of the companies Altec S.A., Altec Integration S.A., and Pyrrichos Real Estate S.A.
- 13/11/09: Extraordinary Session of the General Meeting of the shareholders
- 13/11/09: The Report of the BoD of Emporiki Bank of Greece SA to the Extraordinary Shareholders General Meeting (14.12.2009)
- 18/11/09: Acquisition of Emporiki Bank's shares by C.A. on 16.11.2009
- 19/11/09: Acquisition of Emporiki Bank's shares by C.A. on 17.11.2009
- 20/11/09: Acquisition of Emporiki Bank's shares by C.A. on 18.11.2009
- 23/11/09: Acquisition of Emporiki Bank's shares by C.A. on 19.11.2009
- 24/11/09: Three-year floating rate note issue from Emporiki Group Finance PLC.
- 24/11/09: Acquisition of Emporiki Bank's shares by C.A. on 20.11.2009
- 25/11/09: Acquisition of Emporiki Bank's shares by C.A. on 23.11.2009
- 26/11/09: Acquisition of Emporiki Bank's shares by C.A. on 24.11.2009
- 30/11/09: Acquisition of Emporiki Bank's shares by C.A. on 25 and 26.11.2009
- 30/11/09: Acquisition of Emporiki Bank's shares by C.A. on 26.11.2009
- 01/12/09: Acquisition of Emporiki Bank's shares by C.A. on 27 and 30.11.2009
- 02/12/09: Acquisition of Emporiki Bank's shares by C.A. on 01.12.2009
- 03/12/09: Acquisition of Emporiki Bank's shares by C.A. on 02.12.2009
- 09/12/09: Acquisition of Emporiki Bank's shares by C.A. on 08.12.2009
- 10/12/09: Amendment of Article 5 of the Bank's Articles of Association
- 10/12/09: Acquisition of Emporiki Bank's shares by C.A. on 09.12.2009
- 14/12/09: Acquisition of Emporiki Bank's shares by C.A. on 10.12.2009
- 14/12/09: Resolutions of the Extraordinary Shareholders' Meeting
- 15/12/09: Acquisition of Emporiki Bank's shares by C.A. on 11.12.2009
- 16/12/09: Acquisition of Emporiki Bank's shares by C.A. on 14.12.2009
- 16/12/09: Completion of the Share Increase of "EMPORIKI BANK BULGARIA EAD"
- 18/12/09: Acquisition of Emporiki Bank's shares by C.A. on 15.12.2009
- 18/12/09: Acquisition of Emporiki Bank's shares by C.A. on 16.12.2009

- 21/12/09: Acquisition of Emporiki Bank's shares by C.A. on 17.12.2009
- 30/12/09: Acquisition of Emporiki Bank's shares by C.A. on 28.12.2009
- 31/12/09: Emporiki Bank of Greece S.A., announces that the procedure of transferring its participation percentages in the companies Emporiki Credicom Bank S.A., Emporiki Life Insurance Company S.A. and Emporiki Insurance Hellenic Insurance Company S.A., to the corresponding Crédit Agricole Group product factories was completed
- 31/12/09: Emporiki Bank of Greece S.A., announces that the procedure of transferring its participation percentages in the companies Emporiki Leasing S.A. and Emporiki Asset Management M.F.M.C. , to the corresponding Crédit Agricole Group product factories was completed

VII. Availability of Annual Financial Report

The Annual Financial Report which includes the Statement of the Board of Directors, the Annual Financial Statements of the Bank and the Group, Independent Auditors' Report, Board of Directors' Report and the financial information of the Bank and the Group, are available on the website address: http://www.emporiki.gr/cbgen/gr/cbg_index.jsp

The Annual Financial Statements, Independent Auditors' report and the Board of Directors' Report of consolidated companies are available on the website address: http://www.emporiki.gr/cbgen/gr/cbg_index.jsp