

## **INTERIM FINANCIAL STATEMENTS**

**AS AT 31 - 03 - 2006**

**In accordance with International Financial Reporting Standards**



**ATHENS 30 MAY 2006**

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## Interim Income Statement

	Note	1 January- 31 March 2006	1 January- 31 March 2005
Interest & similar income		250.959	217.055
Interest expense & similar charges		(91.892)	(74.153)
<b>Net interest income</b>	<b>5</b>	<b>159.067</b>	<b>142.902</b>
Fee & commission income		41.995	39.611
Fee & commission expense		(1.239)	(1.680)
<b>Net fee &amp; commission income</b>	<b>6</b>	<b>40.756</b>	<b>37.931</b>
Dividend income		8	240
Net trading results	<b>7</b>	6.836	5.060
Gains less losses from investment securities	<b>8</b>	(4.846)	-
Other operating income		2.856	1.308
<b>Net operating income</b>		<b>204.677</b>	<b>187.441</b>
Staff costs	<b>9</b>	(85.476)	(87.493)
Depreciation & amortization		(9.053)	(8.226)
Impairment losses on loans and other receivables	<b>16</b>	(33.000)	(27.499)
Other operating expenses	<b>10</b>	(36.372)	(30.498)
<b>Total operating expenses</b>		<b>(163.901)</b>	<b>(153.716)</b>
<b>PROFIT BEFORE TAX</b>		<b>40.776</b>	<b>33.725</b>
Income tax expense	<b>11</b>	(15.217)	(11.917)
<b>PROFIT AFTER TAX</b>		<b>25.559</b>	<b>21.808</b>
Basic earnings per share (in Euro)	<b>12</b>	0,19	0,20

Notes on pages 7 to 22 form an integral part of these financial statements.

## Interim Balance Sheet

	Note	31 March 2006	31 December 2005
<b>ASSETS</b>			
Cash and balances with Central Bank	13	442.802	679.951
Treasury bills		15.535	919
Due from banks	14	1.677.302	1.445.615
Trading securities	15	814.364	806.117
Derivative financial instruments		34.075	33.621
Loans and advances to customers	16	15.300.315	14.767.004
Available-for-sale securities	17	223.544	70.381
Held-to-maturity securities		81.517	-
Investments in subsidiaries	18	265.699	264.199
Investments in associates	18	12.323	22.489
Intangible assets		10.765	11.198
Property, plant and equipment		307.715	305.854
Investment property		95.965	97.622
Deferred tax assets	23	248.538	249.056
Income tax advance		3.096	3.096
Other assets		407.285	330.394
<b>TOTAL ASSETS</b>		<b>19.940.840</b>	<b>19.087.516</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Due to banks	19	1.946.858	1.213.509
Derivative financial instruments		57.214	21.976
Due to customers	20	14.948.221	14.810.624
Debt securities in issue	21	399.429	399.327
Other borrowed funds	22	348.714	348.619
Due to State pension fund	24	786.327	786.327
Personnel indemnities		449	479
Current tax liabilities		21.029	6.600
Deferred tax liabilities	23	1.815	1.544
Other liabilities		363.096	459.835
<b>TOTAL LIABILITIES</b>		<b>18.873.152</b>	<b>18.048.840</b>
<b>Equity</b>			
Share Capital	26	728.153	728.153
Share premium		371.497	371.497
Other reserves	27	681.516	678.063
Accumulated deficit		(739.037)	(827.104)
Results for the period		25.559	88.067
<b>TOTAL EQUITY</b>		<b>1.067.688</b>	<b>1.038.676</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>19.940.840</b>	<b>19.087.516</b>

Notes on pages 7 to 22 form an integral part of these financial statements.

### Interim Statement of Changes in Equity

	Share capital	Share premium	Treasury shares	Other reserves	Accumulated deficit	TOTAL
<b>Balance as at 1 January 2005</b>	<b>485.435</b>	<b>272.183</b>	<b>(88.935)</b>	<b>675.120</b>	<b>(932.379)</b>	<b>411.424</b>
Available-for-sale valuation	-	-	-	(29)	-	(29)
Profit for the period 01/01-31/03/2005	-	-	-	-	21.808	21.808
Other	-	-	-	(4)	-	(4)
<b>Balance as at 31 March 2005</b>	<b>485.435</b>	<b>272.183</b>	<b>(88.935)</b>	<b>675.087</b>	<b>(910.571)</b>	<b>433.199</b>
<b>Balance as at 1 January 2006</b>	<b>728.153</b>	<b>371.497</b>	<b>-</b>	<b>678.063</b>	<b>(739.037)</b>	<b>1.038.676</b>
Available-for-sale valuation	-	-	-	4.929	-	4.929
Recycling to the Income Statement	-	-	-	(1.476)	-	(1.476)
Profit for the period 01/01-31/03/2006	-	-	-	-	25.559	25.559
<b>Balance as at 31 March 2006</b>	<b>728.153</b>	<b>371.497</b>	<b>-</b>	<b>681.516</b>	<b>(713.478)</b>	<b>1.067.688</b>

Notes on pages 7 to 22 form an integral part of these financial statements.

## Interim Cash Flow Statement

	<b>1 January – 31 March 2006</b>	<b>1 January – 31 March 2005</b>
<b>Cash flows from operating activities</b>		
Profit / (loss) after tax	25.559	21.808
<b><u>Adjustment for reconciliation of period result to cash flows from operating activities</u></b>		
<u>Adjustments for non-cash items included in profit and loss for the period:</u>		
Depreciation and amortization	9.053	8.226
Impairment losses on investment securities	10.052	-
Impairment losses on loans and other receivables	33.000	27.499
	<u>52.105</u>	<u>35.725</u>
<u>Net (increase)/ decrease of operating assets:</u>		
Obligatory deposits to Bank of Greece	19.920	56.530
Due from other banks	(9.579)	(3.041)
Trading securities (less government bonds)	41.373	230.431
Derivative financial instruments (assets)	(454)	(24)
Loans and advances to customers (net of write-offs)	(566.312)	(297.547)
Deferred tax assets	517	526
Other assets	(76.890)	(24.123)
	<u>(591.425)</u>	<u>(37.248)</u>
<u>Net increase/(decrease) of operating liabilities:</u>		
Due to other banks	733.349	(429.724)
Derivative financial instruments (liabilities)	35.238	(36.792)
Due to customers	137.597	246.840
Current tax liabilities	14.429	10.741
Deferred tax liabilities	271	582
Other liabilities (net of impairment losses on participations)	(96.569)	2.768
Personnel indemnities	-	(2)
	<u>824.315</u>	<u>(205.585)</u>
<b>Total cash flows from operating activities</b>	<b>310.554</b>	<b>(185.300)</b>
<b>Cash flows from investing activities</b>		
Increase of participations in subsidiaries	(1.499)	(56.060)
Decrease of participations in associates	114	-
Net change in property, plant and equipment, intangible assets and investment property	(8.826)	(1.537)
Net change in available-for-sale investments	(149.710)	770
Net change in held-to-maturity investments	(81.517)	-
<b>Total cash flows from investing activities</b>	<b>(241.438)</b>	<b>(56.827)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>69.116</b>	<b>(242.127)</b>
Cash and cash equivalents, at beginning of period (Note 28)	2.362.037	2.733.924
<b>Cash and cash equivalents, at end of period (Note 28)</b>	<b>2.431.153</b>	<b>2.491.797</b>

Notes on pages 7 to 22 form an integral part of these financial statements.

## Notes to the Interim 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 373 branches and abroad through its branches in London as well as through its subsidiaries in Germany, Cyprus, Bulgaria, Albania, and Romania.

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

Its web site address is [www.emporiki.gr](http://www.emporiki.gr).

The members of the Board of Directors, as at 31<sup>st</sup> March 2006, are the following:

Executive members		
Georgios	Provopoulos	Chairman and Managing Director
Leonidas	Zonnios	General Manager
Fokion	Demakakos	Member
Christos	Bratsiakos	Member
Non-executive members		
Bernard	Dewit	Member
Jean-Luc	Perron	Member
Spiridon	Lorentziadis	Member
Ioannis	Fotopoulos	Member
Demetrios	Prokopiou	Member
Panayotis	Tsakos	Member
Independent non-executive members		
Demetrios	Krontiras	Member
Margarita	Zoulovits	Member
Nicolaos	Embeoglou	Member

The Board of Directors approved these financial statements on 30 May 2006.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are in accordance with the accounting policies included in the annual financial statements as at 31st December 2005.

#### 2.1 Basis of preparation

Emporiki Bank interim financial statements as at 31 March 2006 have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

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

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

### **3. Critical accounting estimates, and judgments 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 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 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 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 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 judgment. In making this judgment, 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, judgments and assumptions, concerning the liabilities to State pension funds are illustrated in Note 24.

#### 4. Segment reporting

<u>From 1/1 to 31/03/2006</u>	Total	Retail banking	Corporate banking	Insurance / Asset management	Investment banking & treasury	Other
Net interest income	159.067	139.486	16.498	-	3.083	-
Net fee and commission income	40.756	26.250	6.834	5.426	2.246	-
Other income	4.854	-	-	-	1.998	2.856
<b>Net Operating Income</b>	<b>204.677</b>	<b>165.736</b>	<b>23.332</b>	<b>5.426</b>	<b>7.327</b>	<b>2.856</b>
Staff costs	85.476	64.883	6.466	940	2.862	10.325
Impairment losses on loans and other receivables	33.000	25.080	7.920	-	-	-
Other operating expenses	45.425	29.374	3.882	431	5.730	6.008
<b>Total Operating Expenses</b>	<b>163.901</b>	<b>119.337</b>	<b>18.268</b>	<b>1.371</b>	<b>8.592</b>	<b>16.333</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>40.776</b>	<b>46.399</b>	<b>5.064</b>	<b>4.055</b>	<b>(1.265)</b>	<b>(13.477)</b>

<u>From 1/1 to 31/03/2005</u>	Total	Retail banking	Corporate banking	Insurance / Asset management	Investment banking & treasury	Other
Net interest income	142.902	121.800	15.114	-	5.988	-
Net fee and commission income	37.931	26.481	6.405	2.940	2.105	-
Other income	6.608	-	-	-	5.300	1.308
<b>Net Operating Income</b>	<b>187.441</b>	<b>148.281</b>	<b>21.519</b>	<b>2.940</b>	<b>13.393</b>	<b>1.308</b>
Staff costs	87.493	66.968	7.066	828	2.725	9.906
Impairment losses on loans and other receivables	27.499	19.799	7.700	-	-	-
Other operating expenses	38.724	25.037	3.477	368	2.782	7.060
<b>Total Operating Expenses</b>	<b>153.716</b>	<b>111.804</b>	<b>18.243</b>	<b>1.196</b>	<b>5.507</b>	<b>16.966</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>33.725</b>	<b>36.477</b>	<b>3.276</b>	<b>1.744</b>	<b>7.886</b>	<b>(15.658)</b>

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

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

Insurance and asset management services refer to portfolio management for clients and insurance products delivered through the Bank's network.

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

In the other sections are all non-financial or insurance activities as well as the administrative and back off services of the Bank

**5. Net interest income**

	1/1 – 31/03/06	1/1 – 31/03/05
<b>Interest &amp; similar income</b>		
Cash and short-term funds	12.837	10.249
Bonds/ Treasury bills	20.965	17.561
Customer bonds and reverse repos	-	107
Loans and advances	217.157	189.138
	<b>250.959</b>	<b>217.055</b>
<b>Interest expense &amp; similar charges</b>		
Banks and customers	74.264	65.551
Debt securities	3.394	2.449
Securities and repos	2.733	3.358
Obligations to pension funds	8.048	-
Other borrowing funds	3.453	2.794
	<b>91.892</b>	<b>74.153</b>
<b>Net interest income</b>	<b>159.067</b>	<b>142.902</b>

**6. Net fee & commission income**

	1/1 – 31/03/06	1/1 – 31/03/05
<b>Fee &amp; commission income</b>		
Loans	10.337	8.567
Working capital	1.520	1.719
Letters of guarantee	3.561	3.396
Credit cards	6.088	5.747
Imports – Exports	1.912	1.806
Mutual Funds	3.032	2.940
Other commissions	15.545	15.436
	<b>41.995</b>	<b>39.611</b>
<b>Fee &amp; commission expense</b>		
Credit cards	1.093	1.581
Related banks and companies	36	-
Other	110	99
	<b>1.239</b>	<b>1.680</b>
<b>Net commission income</b>	<b>40.756</b>	<b>37.931</b>

<b>7. Net trading results</b>	<b>1/1 – 31/03/06</b>	<b>1/1 – 31/03/05</b>
Net profit from transactions and foreign exchange valuation	1.939	2.813
Net profit / (loss) from sale and valuation of bonds	(9.689)	3.060
Net profit from sale and valuation of shares and other variable yield securities	3.155	5.212
Net profit / (loss) from sale and valuation of derivatives	11.431	(6.024)
<b>Net trading results</b>	<b>6.836</b>	<b>5.060</b>

<b>8. Gains less losses of investment portfolio</b>	<b>1/1 – 31/03/06</b>	<b>1/1 – 31/03/05</b>
Net profit from mutual funds units sales	5.140	-
Net profit from sale of subsidiary	66	-
Impairment losses of participation to subsidiaries	(10.052)	-
<b>Gain less losses of investment portfolio</b>	<b>(4.846)</b>	<b>-</b>

<b>9. Staff costs</b>	<b>1/1 – 31/03/06</b>	<b>1/1 – 31/03/05</b>
Salaries and wages	60.329	57.884
Social security cost (principal and auxiliary)	23.539	25.748
Other benefits	1.608	3.861
<b>Staff costs</b>	<b>85.476</b>	<b>87.493</b>

Total personnel of Emporiki Bank as at 31 March 2006 consists of 6.368 people compared to 6.535 as at 31 March 2005

<b>10. Other operating expenses</b>	<b>1/1 – 31/03/06</b>	<b>1/1 – 31/03/05</b>
Fees and third party expenses	3.368	3.785
Third parties fees	11.188	6.848
Insurance fees	1.750	745
Taxes and duties	1.450	1.264
Other expenses	18.616	17.856
<b>Other operating expenses</b>	<b>36.372</b>	<b>30.498</b>

  

<b>11. Income tax expense</b>	<b>1/1 – 31/03/06</b>	<b>1/1 – 31/03/05</b>
Income Tax for the period (estimation)	14.430	10.809
Deferred taxation (Note 23)	787	1.108
<b>Income tax expense</b>	<b>15.217</b>	<b>11.917</b>

  

<b>12. Earnings per share</b>	<b>1/1 – 31/03/06</b>	<b>1/1 – 31/03/05</b>
Attributable profits to the Bank shareholders	25.559	21.808
Average number of shares (excluding own shares)	132.391.468	109.326.323
Basic Earnings per share (Euro)	0,19	0,20

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.

The weighted average number of shares for the period from 1st January to 31st March 2005 has been recalculated in order to be adjusted with the number of shares aroused from the share capital increases with reserves capitalization and cash payment with option in favor of the old shareholders. The aforementioned share capital increases took place in June and December 2005 respectively.

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.

<b>13. Cash and balances with Central Bank</b>	<b>31/03/06</b>	<b>31/12/05</b>
Cash	193.749	219.109
Deposits at Central Bank excluding obligatory deposits for liquidity purposes	84.603	280.940
Cheques' receivables – Central Bank clearing office	6.163	1.695
<b>Included as cash and cash equivalents (Note 28)</b>	<b>284.515</b>	<b>501.744</b>
Obligatory deposits at Central Bank	158.287	178.207
<b>Cash and balances with Central Bank</b>	<b>442.802</b>	<b>679.951</b>

Obligatory deposits with Central Bank is a requirement set by the Bank of Greece for all financial institutions established in Greece and equals 2% of total customer deposits. 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).

<b>14. Due from banks</b>	<b>31/03/06</b>	<b>31/12/05</b>
Cheques receivables	2.711	4.459
On demand	24.281	4.330
Placements in other banks	1.475.527	1.271.090
Other amounts due	31.686	32.218
<b>Included as cash and cash equivalents (Note 28)</b>	<b>1.534.205</b>	<b>1.312.097</b>
Loans and borrowings in other banks	143.097	133.518
<b>Due from banks</b>	<b>1.677.302</b>	<b>1.445.615</b>

<b>15. Trading securities</b>	<b>31/03/06</b>	<b>31/12/05</b>
Bonds issued by Hellenic Republic (Note 28)	596.898	547.277
Other issuers	217.419	232.010
	<b>814.317</b>	<b>779.287</b>
Listed shares	47	26.830
	<b>47</b>	<b>26.830</b>
<b>Trading securities</b>	<b>814.364</b>	<b>806.117</b>

<b>16. Loans and advances to customers</b>	<b>31/03/06</b>	<b>31/12/05</b>
<b>Loans to individuals</b>		
Overdrafts	3.179	3.165
Credit cards	382.432	380.748
Term loans (including consumer loans)	1.503.787	1.365.911
Housing loans	4.396.036	4.201.324
Other loans	221.686	189.047
	<b>6.507.120</b>	<b>6.140.195</b>
<b>Loans to legal entities</b>		
Business loans	7.625.207	7.452.824
Syndicated loans	117.040	133.048
State and public companies	303.553	348.280
Loans in the form of bonds and other loans	1.423.387	1.337.176
	<b>9.469.187</b>	<b>9.271.328</b>
<b>Loans and advances to customers</b>	<b>15.976.307</b>	<b>15.411.523</b>
Less: Impairment losses on loans and advances	(675.992)	(644.519)
	<b>15.300.315</b>	<b>14.767.004</b>
Floating interest rate	15.105.043	14.530.648
Fixed interest rate	871.264	880.875
<b>Total</b>	<b>15.976.307</b>	<b>15.411.523</b>
<b>Impairment losses on loans and advances</b>		
Changes on impairment losses for loans and advances		
<b>Balance at 1 January</b>	644.519	615.399
Impairment for loans	33.000	112.845
Write-offs	(1.527)	(83.725)
<b>Balance at 31 March / December</b>	<b>675.992</b>	<b>644.519</b>
<b>17. Available-for-sale securities</b>		
	<b>31/03/06</b>	<b>31/12/05</b>
Bonds issued by Hellenic Republic	153.517	2.028
Bonds of other issuers	30.066	30.197
Listed shares	20.882	20.542
Non-listed shares	8.486	8.014
Mutual funds units	10.593	9.600
<b>Available-for-sale securities</b>	<b>223.544</b>	<b>70.381</b>

## 18. Investments in subsidiaries / associates

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

	Company	Country of incorporation	% Held as at 31/03/06	Balance as at 31/03/06	% Held as at 31/12/05	Balance as at 31/12/05
1	EMPORIKI BANK-GERMANY G.M.B.H.	GERMANY	100,00%	22.198	100,00%	22.198
2	EMPORIKI BANK BULGARIA A.D.	BULGARIA	100,00%	12.108	100,00%	12.108
3	EMPORIKI BANK ALBANIA S.A.	ALBANIA	100,00%	8.663	100,00%	8.663
4	EMPIOIKH LEASING A.E.	GREECE	100,00%	54.157	100,00%	54.157
5	EMPORIKI BANK CYPRUS L.T.D.	CYPRUS	81,19%	15.905	81,19%	15.905
6	EMPORIKI VENT. CAPITAL ENTERPRISES LIMITED	CYPRUS	100,00%	5.067	100,00%	5.067
7	EMPORIKI VENT. CAPITAL DEVELOPED LIMITED	CYPRUS	100,00%	5.196	100,00%	5.196
8	EMPORIKI VENT. CAPITAL EMERGING LIMITED	CYPRUS	100,00%	15.882	100,00%	15.882
9	EMPORIKI VENT. CAPITAL FUNDS LIMITED	CYPRUS	100,00%	6.113	100,00%	6.113
10	ELVIO A.E.	GREECE	100,00%	150	100,00%	150
11	EMPORIKI GROUP FINANCE PLC	UNITED KINGDOM	100,00%	134	100,00%	134
12	BANK INSTITUTION RESEARCH BANK FOR HISTORICAL ARCHIVES (Non- profit organization).	GREECE	99,90%	599	99,90%	599
13	EMPORIKI MEDIA	GREECE	99,90%	15	99,90%	15
14	EMPORIKI MEDIA	GREECE	99,00%	769	99,00%	769
15	EMPORIKI MANAGEMENT	GREECE	99,65%	6.514	99,65%	6.514
16	EMPORIKI BANK ROMANIA S.A.	ROMANIA	98,13%	16.722	98,13%	16.722
17	THERMA EMPORIKI DEVELOPMENT	GREECE	-	-	0,01%	0
18	KOLONOS REAL ESTATE A.E.	GREECE	-	-	0,01%	0
19	THERMAIKOS REAL ESTATE A.E.	GREECE	-	-	0,01%	0
20	PHOENIX METROLIFE EMPORIKI	GREECE	89,84%	17.298	89,84%	17.298
21	EMPORIKI ASSET MANAGEMENT ΑΕΠΕΥ	GREECE	80,00%	4.800	80,00%	4.800
22	ERMIS AEDAK	GREECE	71,70%	1.871	71,70%	1.871
23	TOTAL CARE A.E	GREECE	70,00%	259	70,00%	259
24	EMPORIKI DEVELOPMENT AND REAL ESTATE MANAGEMENT	GREECE	65,60%	38.506	65,50%	38.506
25	GREEK INDUSTRY OF BAGS	GREECE	58,71%	263	58,71%	263
26	EMPORIKI RENT	GREECE	51,00%	3.060	51,00%	3.060
27	EMPORIKI LIFE	GREECE	50,00%	5.000	50,00%	5.000
28	EMPORIKI CREDICOM	GREECE	50,00%	24.450	50,00%	22.950
				<b>265.699</b>		<b>264.199</b>

The bank's investments in associates are analyzed as follows

	Company	Country of incorporation	% Held as at 31/03/06	Balance as at 31/03/06	% Held as at 31/12/05	Balance as at 31/12/05
1	ALPHA GRAPHICS FRACHISE DEVELOPMENT	GREECE	49,00%	218	49,00%	218
2	INDUSTRY OF PHOSPHORIC FERTILIZERS	GREECE	42,16%	-	42,16%	10.052
3	MEDIAFON	GREECE	-	-	25,00%	114
4	INCURIAM INVESTMENT LTD	CYPRUS	20,00%	767	20,00%	767
5	ICAP	GREECE	20,00%	5.000	20,00%	5.000
6	EULER HERMES EMPORIKI	GREECE	15,00%	679	15,00%	679
7	CHARALAMBIDIES DAIRIES	CYPRUS	20,00%	5.659	20,00%	5.659
				<b>12.323</b>		<b>22.489</b>

The movement in the investment portfolio is summarized as follows:

	Investments in subsidiaries		Investments in associates	
	31/03/06	31/12/05	31/03/06	31/12/05
Opening balance	264.169	245.268	22.489	22.489
Addition	1.580	23.414	-	-
Reduction	-	(4.483)	(114)	-
Impairment	-	-	(10.052)	-
<b>Closing balance</b>	<b>265.699</b>	<b>264.199</b>	<b>12.323</b>	<b>22.489</b>

During the 1st quarter of 2006 the Bank participated to the share capital increase of EMPORIKI CREDICOM, without any dilution of its participation. Moreover the Bank sold its participation in MEDIAFON to third parties on 21 January 2006.

Additionally, the carrying amount of the participation in the Industry of Phosphoric Fertilizers was fully impaired.

<b>19. Due to banks</b>	<b>31/03/06</b>	<b>31/12/05</b>
Borrowings from banks	1.826.288	1.066.389
Current accounts	120.570	147.120
<b>Due to banks</b>	<b>1.946.858</b>	<b>1.213.509</b>

<b>20. Due to customers</b>	<b>31/03/06</b>	<b>31/12/05</b>
<b>Deposits from legal entities</b>		
Current accounts	1.411.207	1.821.916
Term deposits	1.871.938	1.393.268
Sale and repurchase agreements (Repos)	4.923	9.291
	<b>3.288.068</b>	<b>3.224.475</b>

<b>Deposits from individuals</b>		
Current accounts	436.097	466.140
Term deposits	4.169.868	3.824.936
Saving accounts	6.931.442	7.217.989
Sale and repurchase agreements (Repos)	2.686	3.230
	<b>11.540.093</b>	<b>11.512.295</b>

<b>Cheques and remittances payable</b>	120.060	73.854
	<b>14.948.221</b>	<b>14.810.624</b>

Fixed interest rate	6.049.415	5.230.725
Floating interest rate	8.778.746	9.506.045
<b>Total deposits</b>	<b>14.828.161</b>	<b>14.736.770</b>

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

<b>21. Debt securities in issue</b>	<b>31/03/06</b>	<b>31/12/05</b>
Debt securities	399.356	399.254
Other credit titles	73	73
<b>Debt securities in issue</b>	<b>399.429</b>	<b>399.327</b>

Emporiki Group Finance PLC, a subsidiary of Emporiki Bank A.E., granted to Emporiki Bank A.E. a loan of total € 398.780.000, due in July 2007. For the above loan Emporiki Group Finance PLC, proceeded at 01.11.2004 to the issuance of Notes of a nominal value € 400.000.000, floating rate note (3months Euribor + 0,30%) and maturity in July 2007.

The other credit titles of € 73 thousands refer to a short-term obligation undertaken by Emporiki Bank A.E. to pay out the Bank bonds (nominal value plus accrued interest) issued by Investment Bank.

<b>22. Other borrowed funds</b>	<b>31/03/06</b>	<b>31/12/05</b>
Subordinated notes	348.714	348.619
<b>Other borrowed funds</b>	<b>348.714</b>	<b>348.619</b>

Emporiki Group Finance PLC, subsidiary of Emporiki Bank A.E. granted a subordinated loan to the bank amounting € 348.081.500, due in October 2014. For the above, Emporiki Group Finance PLC, proceeded on 05.08.2004 to the issuance of Notes of nominal value of € 350.000.000, floating rate (3months Euribor + 0,75%) due in October 2014, guaranteed by Emporiki Bank A.E.

### 23. Deferred tax assets/ liabilities

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

Deferred tax assets and liabilities arise from:

	31/03/06	31/12/05
<b>Deferred tax assets</b>		
Intangible assets write-off	2.594	2.595
Impairment of loans and receivables	31.984	33.054
Provision for the cost of submission to ETEAM	194.574	194.574
Commissions recognition based on effective interest rates	7.377	6.945
Impairment of investments at companies under clearing process	8.837	8.837
Provision for staff expenses	3.037	3.037
Other temporary tax differences	135	14
	<b>248.538</b>	<b>249.056</b>
<b>Deferred tax liabilities</b>		
Reduced depreciation rates for buildings	1.815	1.544
	<b>1.815</b>	<b>1.544</b>
<b>Net deferred tax assets</b>	<b>246.723</b>	<b>247.512</b>

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

	31/03/06	31/12/05
<b>Deferred tax (income statement)</b>		
Intangible assets variation	1	3.724
Provision for the cost of submission to ETEAM	-	2.008
Impairment of loans and receivables	1.070	5.947
Commissions recognition based on real interest rates	(432)	1.245
Provision for staff expenses	-	4.085
Reduced depreciation rates for buildings	271	1.248
Impairment of investments in companies under liquidation	-	914
Other temporary tax differences	(123)	5
	<b>787</b>	<b>19.176</b>

## 24. Obligations to pension funds

The Auxiliary Pension Fund (TEAPETE) for the Bank's employees is considered a defined benefit plan prior to law 3371/2005. Under law 3371/2005, in which the Bank has opted for submission, all employees and pensioners that were employed up to 31 December 2004 will not be included in TEAPETE but will be included in IKA –ETEAM and ETAT which are the auxiliary funds for state control plans and the new auxiliary fund for bank employees, both of which are considered defined contribution plans. Employees that join the Bank after 1/1/2005 are automatically included in IKA-ETEAM.

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 approved by the relevant committee of the Ministry of Economy and Finance and it was ratified by law. According to the study the Bank is estimated to pay into IKA-ETEAM and ETAT, for its pensioners a special contribution of 786,3 million Euro (upfront or within a period of 10 years). The present value of the future contributions from the voluntary retirement and the present value of the extra employees' and employers' contribution (paragraph b of article 59 of Law 3371/2005) have been taken into account into the amount mentioned above. In addition, the Bank will be obliged to pay additional contributions compared to those defined by ETEAM regulations for employees hired before 31/12/2004 for the following periods and up to the date they retire. The terms of the payment for the additional contributions is not defined by Law 3371/2005 and it is expected to be settled by an agreement between the Bank and the Ministry of Economy and Finance. The Bank estimated that the charge, regarding the additional contributions, in the income statement of 2006 is, nearly, 26 million. This charge has been calculated by applying gradually increasing contribution rates, so that the future annual charges will remain at the same level as for 2005. It should be noted, that the estimated annual charge it may be different from the one to be determined by the Ministry of Economy and Finance. However, the management of the Bank, based on the results of the economic study, the guidelines from the Ministry of Economy and Finance and the best estimates for the contribution rates (which form the basis of the additional contributions calculation), concluded that recognition of the charge was the most appropriate accounting treatment.

No payment, regarding the special contribution, has been made yet and the interest accrued on the outstanding balance has been accounted for in the relevant periods.

The shareholders special general meeting held at 16 August 2005 decided to adopt law 3371/2005 and proceeded to the notice of termination of the contract between the employee union and the Bank regarding TEAPETE. Additionally the Bank has applied to the ETAT Board of Directors, for submission of the Bank's employees under the provisions of Law 3371/2005. Notwithstanding the rejection of the temporary measures filed by the employee union (First instance court judgement, No.8849/05), there is a possibility for further legal dispute between the Bank and the employee union or other third parties regarding this issue.

## 25. 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. According to the consultation of the Bank's Legal division the ultimate disposition of these matters is not expected to have a material effect on the financial position or operations of the Bank.

### b) Contingent commitments

	31/03/06	31/12/05
Letters of guarantee	1.802.215	1.689.658
Unused approved credit limits	9.505.404	9.424.679
	<b>11.307.619</b>	<b>11.114.337</b>

### c) Pledged assets

Pledged assets as at 31 March 2006 amount to 107.795 (112.200 as at 31 December 2005) including Hellenic Republic bonds pledged by the Bank of Greece for the purposes of transactions through TARGET, by the derivatives clearing house (ETESEP) as a margin insurance and pledged by foreign financial institution for funding purposes.

## 26. Share capital

The share capital as at 31 March 2006 and 31 December 2005, amounts to €728.153.074 divided in 132.391.468 ordinary shares.

## 27. Other reserves

	31/03/06	31/12/05
Statutory reserve	114.405	114.405
Valuation reserve of available-for-sale investments	21.110	17.657
Other reserves	546.001	546.001
	<b>681.516</b>	<b>678.063</b>

Statutory reserve and revaluation reserve of available-for-sale investments cannot be distributed. The remaining reserves concern tax-free reserves formed by gains from sales of listed securities and tax-free income that has not been distributed. In the event of distribution these reserves will be taxed with the enacted tax rate prevailing at the year of distribution. The Bank does not have any intention to distribute those reserves in the foreseeable future, and thus no deferred tax has been calculated.

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

	31/03/06	31/12/05
Opening balance	17.657	10.330
Profit / (loss) from revaluation	4.929	8.847
Recycling to the Income Statement	(1.476)	(1.520)
<b>Closing balance</b>	<b>21.110</b>	<b>17.657</b>

## 28. 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.

	31/03/06	31/12/05
Cash and balances with Central Bank (Note 13)	284.515	501.744
Treasury securities	15.535	919
Due from banks (Note 14)	1.534.205	1.312.097
Trading portfolio (Note 15)	596.898	547.277
	<b>2.431.153</b>	<b>2.362.037</b>

## 29. Related party transactions

The Greek State, Credit Agricole and pension funds with participating interests of 9,1%, 8,7% and 19,4% respectively, constitute the major shareholders of the Bank. The remaining shares are available to the equity market.

### a) Transactions and balances with Board of Directors members

	1/1 - 31/03/06	1/1 - 31/03/05
Board of Directors fees *	227	987
	<b>31/03/06</b>	<b>31/12/05</b>
Deposits	13.886	17.913
Loans	85.857	49.110
	<b>99.743</b>	<b>67.023</b>

\*The fees of the non-executive members of Board of Directors amount to € 14 thousands for the 1st quarter of 2006 and € 15 thousands for the 1st quarter of 2005.

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

	31/03/06	31/12/05
<b>Assets</b>		
Due from banks	341.707	375.721
Loans and advances to customers	349.340	338.766
Other assets	16.195	6.833
	<b>707.242</b>	<b>721.320</b>
<b>Liabilities</b>		
Due to banks	70.434	66.925
Due to customers	294.265	313.312
Debt securities in issue	398.780	398.780
Other borrowed funds	348.082	348.082
Other liabilities	8.756	6.522
	<b>1.120.317</b>	<b>1.133.621</b>
	<b>1/1 – 31/03/06</b>	<b>1/1 – 31/03/05</b>
<b>Income</b>		
Interest & similar income	4.268	4.352
Fee & commission income	4.063	4.273
Other operating income	79	360
	<b>8.410</b>	<b>8.985</b>
<b>Expense</b>		
Interest expense & similar charges	7.776	9.241
Fee & commission expense	41	66
Staff costs	150	173
Other operating expenses	1.747	618
	<b>9.714</b>	<b>10.098</b>

**Associates**

	31/03/06	31/12/05
<b>Assets</b>		
Loans and advances to customers	<u>43,939</u>	<u>39,231</u>
<b>Liabilities</b>		
Due to customers	<u>2,668</u>	<u>510</u>
	<b>1/1 – 31/03/06</b>	<b>1/1 – 31/03/05</b>
<b>Income</b>		
Interest & similar income	<u>265</u>	<u>347</u>

### 30. Dividends paid

For the accounting year 2005, no dividend distribution was proposed due to losses reported by the Bank at its financial statements for the accounting year 2004.

### 31. Capital adequacy

The Bank's solvency ratio is calculated in accordance with PD/BOG 2053/92 "Definition of equity for credit institutions in Greece" and PD/BOG 2397/96 "Solvency ratio for credit institutions" (modified PD/BOG 2494/02) with a minimum ratio of 8%.

According to management of the Bank based on:

- (a) the financial information for the Bank and Group as at 31 December 2005 in accordance with IFRS,
- (b) articles in Law 3301/04 "Financial insurance, IFRS and other",
- (c) the announcement of CEBS as of 21.12.04 for "Regulations regarding changes to equity for credit institutions", and
- (d) the consultation paper of the Bank of Greece as at 21 January 2004,

The relevant index as at 31 March 2006 is estimated at 9% approximately for both the Bank and the Group.

### 32. Post balance sheet events

On 2<sup>nd</sup> May of 2006, the Bank completed the transfer of nearly € 1 billion residential mortgage loans to the special purpose entity LITHOS MORTGAGE FINANCING Plc, incorporated in England and Wales. This transfer is part of the securitization process of Emporiki Bank's receivables.