

**CONSOLIDATED
FINANCIAL STATEMENTS**

AS AT 31 -12 -2007

In accordance with International Financial Reporting Standards



ATHENS, 28 February 2008

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Independent Auditor’s Report

(translation from the original text in Greek)

To the Shareholders of EMPORIKI BANK OF GREECE S.A.

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 2007 and the related consolidated statements of income, changes in equity and cash flows 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 the 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 Greek auditing standards which conform 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 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 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 2007 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 35 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 and Regulatory Requirements

The Board of Directors’ Report contains all information required by articles 107 paragraph 3, 16 paragraph 9 of Law 2190/1920 and article 11a of Law 3371/2005 and is consistent with the consolidated financial statements referred to in the preceding paragraph.

PRICEWATERHOUSECOOPERS 

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

Athens, 28 February 2008
The Certified Auditor - Accountant

Constantinos Michalatos
SOEL Reg. No. 17701

Consolidated Income Statement

	<u>Note</u>	<u>01/01 - 31/12/2007</u>	<u>01/01 - 31/12/2006*</u>
Interest & similar income		1.399.575	1.051.084
Interest expense & similar charges		<u>(640.152)</u>	<u>(337.972)</u>
Net interest income	6	759.423	713.112
Fee & commission income		162.305	166.970
Fee & commission expense		<u>(9.024)</u>	<u>(7.842)</u>
Net commission income	7	153.281	159.128
Net premiums from insurance contracts		21.566	33.041
Net claims and benefits on insurance contracts		<u>(19.169)</u>	<u>(30.818)</u>
Net income from insurance operations	11	2.397	2.223
Dividend income	8	1.827	2.944
Net trading results	9	(10.254)	11.218
Gains less losses from investment securities	10	19.812	37.574
Other operating income	12	<u>22.095</u>	<u>23.422</u>
Net operating income		948.581	949.621
Staff costs	13	(431.279)	(397.746)
Depreciation & amortization		(32.400)	(35.294)
Impairment losses on loans and receivables	22	(218.271)	(473.334)
Other provisions		(15.430)	(59.703)
Other operating expenses	14	<u>(200.717)</u>	<u>(197.749)</u>
Total operating expenses		(898.097)	(1.163.826)
Share of loss / profit of associates		<u>240</u>	<u>(5.147)</u>
PROFIT / (LOSS) BEFORE INCOME TAX		50.724	(219.352)
Income tax expense	15	<u>(21.107)</u>	<u>(7.484)</u>
PROFIT / (LOSS) AFTER TAX - Continuing Operations		29.617	(226.836)
Profit / (loss) - discontinued operations	46	<u>43.318</u>	<u>(8.775)</u>
PROFIT/ (LOSS) AFTER INCOME TAX		72.935	(235.611)
Attributable to:			
Equity holders of the Bank		73.370	(234.725)
Minority interest		(435)	(886)
Basic earnings per share from continuing operations (in Euro)	16	0,22	(1,71)
Basic earnings per share from discontinued operations (in Euro)	16	0,33	(0,06)

* 2006 figures have been adjusted for comparison purposes

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

Consolidated Balance Sheet

	<u>Note</u>	<u>31 December 2007</u>	<u>31 December 2006</u>
ASSETS			
Cash and balances with Central Bank	17	924.357	791.442
Treasury bills	18	31.395	14.949
Due from other banks	19	2.541.634	1.262.858
Trading securities	20	1.393.792	1.723.003
Derivative financial instruments	21	21.520	52.377
Loans and advances to customers	22	19.516.203	17.226.186
Available-for-sale securities	23	1.600.166	277.703
Held-to-maturity securities	24	70.164	129.513
Investments in non consolidated subsidiaries	25	8.684	2.466
Investments in associates	26	4.386	3.706
Intangible assets	27	12.638	14.300
Property, plant and equipment	28	340.904	367.249
Investment property	29	102.687	109.737
Deferred tax assets	40	334.422	321.242
Income tax advance		6.574	4.479
Other assets	30	298.880	494.733
Total Assets from Continued Operations		27.208.406	22.795.943
Total Assets from Discontinued Operations	45	115.642	-
TOTAL ASSETS		27.324.048	22.795.943
LIABILITIES AND EQUITY			
Liabilities			
Due to other banks	31	3.444.644	1.261.803
Derivative financial instruments	21	21.713	58.003
Due to customers	32	18.127.003	16.656.814
Debt securities in issue	33	2.880.751	1.381.219
Other borrowed funds	34	707.064	710.989
Due to State pension funds	35	552.849	621.466
Personnel leaving indemnities	36	6.566	32.335
Insurance reserves	37	69.129	604.066
Other provisions	38	124.198	90.239
Current income tax liabilities		21.794	16.485
Deferred tax liabilities	40	9.897	6.338
Other liabilities	39	372.771	509.691
Total Liabilities from Continued Operations		26.338.379	21.949.448
Liabilities from Discontinued Operations	45	97.114	-
Total Liabilities		26.435.493	21.949.448
Equity			
Share Capital	42	728.153	728.153
Share premium		371.464	371.487
Other reserves		687.822	679.529
Retained Earnings		(980.037)	(712.367)
Results for the period		73.370	(234.725)
		880.772	832.077
Minority interests		7.783	14.418
Total Equity		888.555	846.495
TOTAL LIABILITIES AND EQUITY		27.324.048	22.795.943

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	Total	Minority interests	Total
Balance as at 1 January 2006	728.153	371.497	2.212	689.265	(718.685)	1.072.442	14.722	1.087.164
Appropriation of 2005	-	-	-	1.506	(1.506)	-	-	-
Profit for the year 2006	-	-	-	-	(234.725)	(234.725)	(886)	(235.611)
Share capital increase expenses (Credicom)	-	(10)	-	-	-	(10)	-	(10)
Share capital increase (Phoenix – Metrolife)	-	-	-	-	-	-	983	983
Transfer between reserves	-	-	-	(8.116)	8.116	-	-	-
Fixed asset sale	-	-	-	(111)	-	(111)	(11)	(122)
Available-for-sale valuation	-	-	-	(1.525)	-	(1.525)	-	(1.525)
Changes in subsidiaries shareholding structure	-	-	-	-	(293)	(293)	(371)	(664)
Foreign exchange differences	-	-	(3.701)	-	-	(3.701)	(19)	(3.720)
Balance as at 31 December 2006	728.153	371.487	(1.490)	681.019	(947.092)	832.077	14.418	846.495
Balance as at 1 January 2007	728.153	371.487	(1.490)	681.019	(947.092)	832.077	14.418	846.495
Appropriation of 2006 – Formation of reserves	-	-	-	5.586	(5.586)	-	-	-
Profit for the year 2007	-	-	-	-	73.370	73.370	(435)	72.935
Subsidiaries Mergers	-	-	-	312	(312)	-	-	-
Available-for-sale valuation	-	-	-	(6.571)	-	(6.571)	-	(6.571)
Share capital increase expenses	-	(23)	-	-	-	(23)	-	(23)
Subsidiary disposal	-	-	-	17.103	(17.103)	-	(979)	(979)
Changes in subsidiaries shareholding structure	-	-	-	(30)	(9.944)	(9.974)	(5.179)	(15.153)
Foreign exchange differences	-	-	(8.107)	-	-	(8.107)	(42)	(8.149)
Balances as at 31 December 2007	728.153	371.464	(9.597)	697.419	(906.667)	880.772	7.783	888.555

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

Consolidated Cash Flow Statement

	Period ended 31 December	
	2007	2006
Profit / (loss) after tax	73.370	(234.725)
<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>		
Depreciation and amortization	32.400	37.548
Impairment for losses on loans and advances	218.271	479.707
Other provisions	15.431	-
Currency translation differences	(8.108)	(3.702)
Share of (profit) / loss of discontinued operations	(43.318)	-
Share of (profit) / loss of associates	(239)	5.147
	<u>214.437</u>	<u>518.700</u>
<u>Net (increase)/ decrease of operating assets:</u>		
Obligatory deposits to Bank of Greece	87.647	(78.946)
Due from other banks	(264.427)	76.242
Trading securities (less government bonds)	(22.965)	(67.187)
Derivative financial instruments	30.857	(18.358)
Loans and advances to customers (net of write-offs)	(2.712.832)	(2.073.382)
Deferred tax assets	(13.180)	(70.081)
Other assets	76.199	(13.568)
	<u>(2.818.701)</u>	<u>(2.245.280)</u>
<u>Net increase/(decrease) operating liabilities:</u>		
Due to other banks	2.194.268	(18.061)
Derivative financial instruments	(36.290)	35.995
Due to customers	1.418.576	1.727.506
Current tax liabilities	3.214	(1.272)
Deferred tax liabilities	3.559	560
Other liabilities	(137.829)	(70.233)
Minority interests	(6.635)	(304)
Provision for staff indemnity	590	70
	<u>3.439.453</u>	<u>1.674.261</u>
Total cash flows from operating activities	908.559	(287.044)
Cash flows from investing activities		
Changes in participations in non consolidated subsidiaries and adjustments of associates' equity	(7.902)	8.829
Income from sale of subsidiary	86.794	-
Absorption of companies and changes in subsidiaries shareholding structure	(9.943)	-
Net change in property, plant and equipment, intangible assets and investment property	(39.021)	(20.387)
Net change of held to maturity securities	10.425	(100.871)
Net change of available-for-sale investments	(1.329.033)	(166.957)
Total cash flows from investing activities	(1.288.680)	(279.386)
Cash flows from financing activities		
Expenses of share capital increase	(23)	(10)
Sale of own debt securities	14.687	(65.171)
Proceeds from the issue of mortgage backed securities (securitization)	-	995.884
Proceeds from the issue of other debt securities	1.880.000	244.130
Proceeds from the issue of subordinated loans	-	370.000
Repayment of mortgage backed securities (securitization)	(404.569)	(201.595)
Total cash flows from financial activities	1.490.095	1.343.238
Net increase / (decrease) in cash and cash equivalents	1.109.974	776.808
Cash and cash equivalents, at beginning of period (Note 43)	2.886.945	2.143.466
Cash and cash equivalents, at end of period (Note 43)	3.996.919	2.920.274

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 GROUP ("Emporiki Bank" or "Group") provides retail, corporate and investment banking services, asset management and other financial services. The Group offers services in Greece through its network of 380 branches and abroad through its branch in London and 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 since 1909. The share of Emporiki Bank is included in the FTSE XA 140, FTSE XA BANKS and FTSE XA Small Cap 80. Also, it is included in the FTSE4Good. The companies that are included in the FTSE4Good indexes are distinguished for their sensitivity on subjects of environmental politics and transparent management, as well as for the elaboration of constructive relationships with all the social members and the support and protection of human rights.

The Bank's registered office is at 11 Sofocleous Str. and its registration number as "Societe Anonyme" is 6064/06/B/86/03.

Emporiki Bank's web site address is www.emporiki.gr.

The members of the Board of Directors as at 31 December 2007, are as follows:

Executive members

Antony	Crontiras	Chief Executive Officer
Bruno	Charrier	Deputy Chief Executive Officer
Pierre-Rene-Henri	Harang	Member
Fokion	Dimakakos	Member
Despina	Chalkidis	Member

Non-executive members

Jean-Frederic	De Leusse	Chairman
Bernard	De Wit	Vice – Chairman
Luc	Demazure	Member
Philippe	Dore	Member
Yves	Nanquette	Member
Charlotte-Maria-Ypatia	Stratos	Member
Charalampos	David	Member

Independent Non-executive members

Christoforos	Chatzopoulos	Member
Achilles	Constantakopoulos	Member
Nikolaos	Ebeoglou	Member
Alexandra	Papalexopoulou	Member
Panagiotis	Zafeiropoulos	Member

The Board of Directors of the Bank approved these financial statements on 28 February 2008.

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.

2.1 Basis of preparation

The Consolidated Financial Statements as at 31 December 2007 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 accounting policies applied for all the periods that are presented in these consolidated financial statements, are disclosed separately below.

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Bank's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

a) Standards and Interpretations effective after 1 January 2007

- IFRS 7 - Financial Instruments: Disclosures and the complementary amendment to IAS 1 - Presentation of Financial Statements: Capital Disclosures: This standard and amendment introduces new disclosures relating to financial instruments. For the current year the applicable IFRS 7 disclosures have only been presented in respect of events and transactions related to financial instruments which are material to an understanding of the current year.

- IFRIC 7 - Applying the Restatement Approach under IAS 29: This interpretation provides guidance on how to apply requirements of IAS 29 in a reporting period in which a company identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As the Bank does not operate in a hyperinflationary economy this interpretation does not apply to the Bank's financial statements.

- IFRIC 8 - Scope of IFRS 2: This interpretation considers transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. This interpretation will not apply to the Bank's financial statements.

- IFRIC 9 - Reassessment of Embedded Derivatives: This interpretation requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. The implementation of this interpretation doesn't have a material effect on the Group's financial statements.

- IFRIC 10 - Interim Financial Reporting and Impairment: This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The implementation of this interpretation doesn't have a material effect on the Group's financial statements.

b) Standards and Interpretations effective after 1 January 2008

- IFRS 8 - Operating Segments: This standard is effective for annual periods beginning on or after 1 January 2009 and 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. The Bank will apply IFRS 8 from 1 January 2009, and its implementation is expecting to affect the presentation of the Group's operations by business segment.

- IAS 23 – Borrowing Costs: This standard is effective for annual periods beginning on or after 1 January 2009 and 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. Bank will apply IAS 23 from 1 January 2009.

- IFRIC 11 - IFRS 2: Group and Treasury share transactions: This interpretation is effective for annual periods beginning on or after 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Bank's financial statements.

- IFRIC 12 – Service Concession Arrangements: This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Bank's operations.

- IFRIC 13 – Customer Loyalty Programmes: This interpretation is effective for annual periods beginning on or after 1 July 2008 and 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 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Bank does not operate any such benefit plans for its employees, this interpretation is not relevant to the Bank.

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

These annual consolidated 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 consolidated 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.

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 acquired 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 Group is not applying hedge accounting and changes in the fair value of derivatives are recognized in the income statement.

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 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.

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, mainly, Greek Government bonds and of 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 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. As at 31 December 2007 the Group had held to maturity securities amounted to € 70 millions, which primarily concerned other issuers' bonds.

(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 and financial assets at fair value through profit or loss 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.

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.

2.8 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”) remain as assets in the financial statements; the counterparty liability is included in “amounts due to other banks” or “deposits due to customers”, as appropriate.

Securities purchased under agreements to resell (“reverse repos”) are recorded as loans and advances to other banks or customers, as appropriate and the securities are not shown in the financial statement.

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 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.

If there is objective evidence that an impairment loss on an asset or a group of assets has occurred, then the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics for Group exposure. These characteristics (financial, historical, geographical sector) 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.

If, in a subsequent period, the expected cash flows change then these are recorded as a gain or loss to 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

Property, plant and equipment is 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 to 50
Computer Hardware	3 to 4
Vehicles	5 to 7
Furniture and equipment	5 to 7

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. 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.

2.13 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 to 50 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.

2.14 Leases

(a) The Group as lessee

Leases of property, plant and equipment where the Group 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 period 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.

2.15 Insurance activities

a) Provision for insurance claim

Provision for unsettled claims

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.

2.16 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.

2.17 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.

2.18 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 35.

(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.

2.19 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.

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.

2.20 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.

2.21 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.

Consideration paid for treasury shares is deducted from total shareholders' equity until they are cancelled or sold. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.22 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.

2.23 Related-party transactions

Related parties include 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.

2.24 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

2.25 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 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 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 has as main strategic target the effective management of the total risks undertaken and the further improvement of its portfolio quality.

The Bank makes a continuous effort to develop internal risk rating facilities that identify borrower's creditworthiness and the specific characteristics per type of exposure. This effort is aligned with the requirements of the new Pillar II Regulatory Accord, regarding the capital adequacy obligations and with the CASA norms.

The credit approval process is subject to a detailed risk review and analysis that is compliant with the methodologies of Credit Agricole SA.

The credit risk strategy by type of exposure, is summarized below:

Corporate Credit Risk Strategy:

Regarding the corporate assessment, Emporiki has incorporated CASA's rating facilities. Specifically, the Bank uses as its primary instrument of corporate credit risk measurement, a Group model of 15 rating grades that assesses the borrower's quantitative and qualitative data as well as transactional behaviour.

The model also can be used to perform a time series analysis of the company's credit rating. A timely diagnosis of such rating's downward trend can prevent the Bank from potential losses.

Apart from the corporate rating tool Emporiki in order to monitor concentration risk, has established sector limits, which are closely monitored and reviewed annually.

Additionally, the portfolio of the largest exposures is reviewed 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.

Professionals' & Small Enterprises' Credit Risk Strategy:

For Professionals' & Small Enterprises' credit exposures, systemic control tools that verify the fulfillment of specific credit policy rules are applied via the fulfillment of the electronic credit application form. Moreover, a bespoke application scorecard, developed by an external vendor is used for credit assessing the obligors.

Additionally, the objective is to improve the risk assessment of those exposures via the development of scorecards per product and a behavioral scorecard for Small Businesses.

Individuals' Credit Risk Strategy:

Consumer lending:

Credit financing to private individuals is designed to meet primarily consumer needs, while its repayment, which is not normally associated with the financed item, is made and influenced by the available personal and family income of the borrower.

Individual's consumer lending, is mainly based upon the fulfillment of general credit policy rules, as well as upon bespoke application scorecards developed by external vendor.

Those scorecards are closely monitored by the Risk Management division in co-operation with Credit Agricole's relevant division via several validation and calibration procedures.

Housing lending:

Credit financing for mortgages (eg. purchase, building, completion, extension, repair, purchase of land for the building of houses or business premises) is currently based on the fulfillment of specific credit policy rules.

The Bank has started to implement a new centralized process via the Centralization Unit for approving all mortgage loans.

In specific, that Unit is responsible to verify the fulfillment of the credit policy rules and the credit 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, to reconcile the application data with the contract data.

Regarding housing credit's statistical rating tool, an application scorecard for mortgage applications will be in production this year.

3.2.1 Impairment and Formation of 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:

	2007		2006	
	Loans & advances (%)	Impairment Provision (%)	Loans & advances (%)	Impairment Provision (%)
Standard monitoring	90	7,4	89	6,6
Special monitoring	1	2,4	1	0,4
Sub-standard	9	90,2	10	93,0
Total	100	100	100	100

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 31/12/2007 and 31/12/2006, without including collateral held or other credit enhancements. Credit exposures are based on their carrying amounts as reported on the balance sheet.

	Maximum Exposure	
	2007	2006
Treasury bills	31.395	14.949
Due from other banks	2.541.634	1.262.858
Trading securities - Debt securities	1.350.244	1.648.236
Derivative financial instruments	21.520	52.377
Loans and advances to customers:		
Loans to Individuals:		
Revolving Easy Business	548.516	473.569
Credit Cards	443.036	443.686
Consumer Loans	2.504.420	2.172.740
Mortgage Loans	7.607.534	6.116.158
Loans to corporate entities:		
Large Corporate Customers	3.662.478	3.102.427
Small and medium size enterprises (SMEs)	5.769.904	6.067.146
Available-for-sale securities - Debt securities	1.557.033	240.771
Held-to-maturity securities	70.164	129.513
Other assets	298.880	494.733
Credit risk exposures relating to off-balance sheet items are as follows:		
Letters of guarantee	1.883.345	1.823.809
Total	28.290.103	24.042.972

3.2.3 Loans and advances

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

	2007		2006	
	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	11.896.221	2.541.634	8.680.495	1.262.858
Past due but not impaired	6.345.663	-	3.720.761	-
Impaired	2.294.004	-	5.974.470	-
Gross Total	20.535.888	2.541.634	18.375.726	1.262.858
Less: allowance for impairment	1.019.685	-	1.149.540	-
Net Total	19.516.203	2.541.634	17.226.186	1.262.858

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

31 December 2007

	Overdrafts	Credit Cards	Term loans	Mortgages	Large Corporate Customers	SMEs	Loans and advances to customers	Loans and advances to banks
Standard monitoring	278.278	250.389	1.595.126	5.518.424	2.061.892	2.136.389	11.840.497	2.541.634
Special monitoring	-	-	-	1.149	6.576	2.616	10.341	-
Sub-standard	-	-	3.259	16.923	11.589	13.612	45.383	-
Total	278.278	250.389	1.598.385	5.536.496	2.080.057	2.152.617	11.896.221	2.541.634

31 December 2006

	Overdrafts	Credit Cards	Term loans	Mortgages	Large Corporate Customers	SMEs	Loans and advances to customers	Loans and advances to banks
Standard monitoring	10.288	39.720	407.794	4.400.683	1.461.026	2.232.438	8.551.949	1.262.858
Special monitoring	-	-	-	-	77.389	16.957	94.346	-
Sub-standard	-	-	4	1.990	17.908	14.298	34.200	-
Total	10.288	39.720	407.798	4.402.673	1.556.323	2.263.693	8.680.495	1.262.858

(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 2007

	Individual (retail customers)				Total
	Revolving Easy Business	Credit Cards	Consumer Loans	Mortgage Loans	
Past due up to 30 days	150.418	86.660	363.669	1.042.929	1.643.676
Past due up to 30-90 days	21.677	13.348	87.428	306.155	428.608
Past due up to 90-180 days	-	9	100	49.752	49.861
Past due more than 180 days	22	-	110	628	760
Total	172.117	100.017	451.307	1.399.464	2.122.905

	Corporate entities		
	Large Corporate Customers	SME's	Total
Past due up to 30 days	871.029	2.446.857	3.317.886
Past due up to 30-90 days	320.209	334.920	655.129
Past due up to 90-180 days	45.159	65.898	111.057
Past due more than 180 days	41.426	97.260	138.686
Total	1.277.823	2.944.935	4.222.758

31 December 2006

	Individual (retail customers)				Total
	Revolving Easy Business	Credit Cards	Consumer Loans	Mortgage Loans	
Past due up to 30 days	-	513	11.171	904.670	916.354
Past due up to 30-90 days	-	60	145	240.320	240.525
Past due up to 90-180 days	-	15	2	87.024	87.041
Past due more than 180 days	-	-	104	8.725	8.829
Total	-	588	11.422	1.240.739	1.252.749

	Corporate entities		
	Large Corporate Customers	SME's	Total
Past due up to 30 days	983.567	1.078.568	2.062.135
Past due up to 30-90 days	170.985	62.771	233.756
Past due up to 90-180 days	14.194	31.679	45.873
Past due more than 180 days	25.291	100.957	126.248
Total	1.194.037	1.273.975	2.468.012

(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 2007

	Corporate entities		
	Large Corporate Customers	SME's	Total
Individual impaired loans	263.281	551.752	815.033

31 December 2006

	Corporate entities		
	Large Corporate Customers	SME's	Total
Individual impaired loans	285.822	520.402	806.224

The 2006 information set out above is not fully comparable to that for the year ended 31 December 2007, due to changes in the risk management policies and methodologies applied for assessing credit risk.

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 2007, based on Standards & Poor rating

	Treasury bills	Trading securities	Available-for-sale securities	Held-to-maturity securities	Total
Aaa	-	67.614	124.589	-	192.203
Aa1 – Aa3	-	81.545	787.236	-	868.781
A1 – A3	31.395	1.161.740	645.208	70.164	1.908.507
Baa1 – Baa3	-	30.297	-	-	30.297
Ba1 – Ba3	-	9.048	-	-	9.048
Total	31.395	1.350.244	1.557.033	70.164	3.008.836

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 2007 and as of 31 December 2006, is mainly concentrated in Europe.

(b) Industry Sectors

31 December 2007	Financial Institutions	Manuf/ing	Real Estate	Whole sale & Retail Trade	Public Sector	Other Industries	Individuals	Total
Treasury bills	-	-	-	-	31.395	-	-	31.395
Due from other banks	2.541.634	-	-	-	-	-	-	2.541.634
Trading securities - Debt securities	323.699	-	-	-	1.026.545	-	-	1.350.244
Derivative financial instruments	21.520	-	-	-	-	-	-	21.520
Loans and advances to customers:								
Loans to Individuals:								
Revolving Easy Business	-	-	-	548.516	-	-	-	548.516
Credit Cards	-	-	-	-	-	-	443.036	443.036
Consumer Loans	-	-	-	-	-	-	2.504.420	2.504.420
Mortgage Loans	-	-	-	-	-	-	7.607.534	7.607.534
Loans to corporate entities:								
Large Corporate Customers	299.264	522.239	271.693	250.380	588.250	1.730.652	-	3.662.478
Small and medium size enterprises	30.505	577.342	558.733	1.110.247	129.286	3.363.791	-	5.769.904
Avail. for sale secur., Debt securities	1.154.477	-	-	-	402.556	-	-	1.557.033
Held-to-maturity securities	3.322	-	-	-	-	66.842	-	70.164
Other assets	-	-	-	-	-	298.880	-	298.880
Total	4.374.421	1.099.581	830.426	1.909.143	2.178.032	5.460.165	10.554.990	26.406.758
As at 31 December 2006	2.119.834	998.340	821.766	1.815.306	2.132.040	5.599.293	8.732.584	22.219.163

3.3 Market risk

Emporiki takes on exposure to market risks, which is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. Emporiki separates exposures to market risk into either trading or non-trading portfolios. The market risks arising from trading and non-trading activities are concentrated in Treasury. Regular reports are submitted to the top management and heads of the related business units. Trading portfolio include positions arising from market-making transactions where Emporiki acts as principal with clients or with the market. Non-trading portfolios consist of available-for-sale investments.

As part of the management of market risk, Emporiki undertakes various hedging strategies. Emporiki also enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt securities. The major measurement techniques used to measure and control market risk is outlined below.

a) Value at risk

Emporiki applies a ‘value at risk’ methodology (VAR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The ALCO committee sets limits on the value of risk that may be accepted for Emporiki, trading and non-trading separately, which are monitored on a daily basis. VAR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the ‘maximum’ amount Emporiki might lose, but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VAR estimate. The VAR model assumes a certain ‘holding period’ until positions can be closed (1 day). 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 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.

Back-testing the VAR results for trading books continuously monitors the quality of the VAR model. All back-testing exceptions and any exceptional revenues on the profit side of the VAR distribution are investigated, and all back-testing results are reported to the ALCO committee.

b) Stress tests

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by Emporiki Treasury 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 2007 and 2006:

(a) Trading portfolio VaR by Risk Type

	01/01- 31/12/2007			01/01- 31/12/2006		
	Average	High	Low	Average	High	Low
Foreign exchange risk	28	140	1	63	205	4
Interest rate risk	482	1.659	275	339	686	122
Equities risk	787	996	527	523	673	32
Total VAR	931	1.767	602	646	996	222

(b) Non - Trading portfolio VaR by Risk Type

	01/01- 31/12/2007			01/01- 31/12/2006		
	Average	High	Low	Average	High	Low
Foreign exchange risk	-	-	-	-	-	-
Interest rate risk	122	414	14	55	141	1
Equities risk	586	1.055	224	696	985	509
Total VAR	615	1067	227	701	994	523

3.4 Foreign currency risk

Foreign exchange risk is the risk from the change in value of a financial instrument asset or liability as a result of changes in foreign exchange rates. Foreign currency risk from transactions in foreign currency is a result of a long or short open position exposing the Bank to foreign exchange risks. These risks may also result by funding assets in one currency with a liability in a different currency or through forward contracts or by option derivatives. This risk is also driven by the net equity of subsidiaries with a presentation currency other than the Euro. The Bank covers this risk as its funding is to a large extent the same currency. The Bank does transactions in foreign currencies to cover customer needs or to hedge its open positions. The Bank's risk management monitors transactions based on limits approved. The Bank maintains limits in order to control the following:

- (a) Open positions in a currency (long or short per currency),
- (b) Total negative exposures,
- (c) Maximum losses (On a daily/monthly or annual basis).

The following tables show the foreign currency exposure of the Group. These tables present financial assets and liabilities per currency. In addition the notional amount used to hedge the currency risk is also shown.

31 December 2007

ASSETS	EUR	USD	GBP	CHF	JPY	Other	Total
Cash and balances with Central Bank	861.134	2.945	494	96	9	59.679	924.357
Treasury bills	31.395	-	-	-	-	-	31.395
Due from other banks	2.139.468	145.102	84.388	8.729	4.082	159.865	2.541.634
Trading securities	1.365.809	27.871	-	-	-	112	1.393.792
Derivative financial instruments	21.520	-	-	-	-	-	21.520
Loans and advances to customers	18.382.477	594.896	11.520	266.673	34.287	226.350	19.516.203
Available-for-sale securities	1.590.671	3.825	-	-	-	5.670	1.600.166
Held-to-maturity securities	66.517	-	-	-	-	3.647	70.164
Other assets	283.626	10.380	200	841	19	3.814	298.880
Total Financial Assets	24.742.617	785.019	96.602	276.339	38.397	459.137	26.398.111

Liabilities

Due to other banks	3.100.366	5.206	10	270.682	37.463	30.917	3.444.644
Derivative financial instruments	21.713	-	-	-	-	-	21.713
Due to customers	16.715.850	762.749	95.455	5.107	140.221	407.621	18.127.003
Debt securities in issue	2.880.751	-	-	-	-	-	2.880.751
Other borrowed funds	707.064	-	-	-	-	-	707.064
Due to State pension funds	552.849	-	-	-	-	-	552.849
Other liabilities	365.769	467	1.010	517	3	5.005	372.771
Total Financial Liabilities	24.344.362	768.422	96.475	276.306	177.687	443.543	26.106.795

Net on-balance sheet financial position	398.255	16.597	127	33	(139.290)	15.594	291.316
Off balance sheet items	(146.766)	(1.879)	-	-	139.690	6.862	(2.093)

31 December 2006

	EUR	USD	GBP	CHF	JPY	Other	Total
Total Financial Assets	20.282.695	917.070	94.414	195.248	32.933	450.404	21.972.764
Total Financial Liabilities	19.197.695	948.871	97.455	196.700	337.924	421.340	21.199.985
Net on-balance sheet financial position	1.085.000	(31.801)	(3.041)	(1.452)	(304.991)	29.064	772.779
Off balance sheet items	(328.364)	27.331	-	-	304.571	(10.997)	(7.459)

3.5 Interest rate risk

Interest rate risk is the risk of changes in the fair value of financial instruments and to net interest income for the Bank as a result of changes in interest rates. Interest rate risk arises as a result of the deferral in the re-pricing of asset and liability items to interest rate changes.

The Bank's interest rate risk relates to both its retail operations and its capital market operations (fixed rate bonds and interest rate futures), the exposure to which is generally covered by money market operations.

The Bank measures its interest rate exposure with an interest rate – gap analysis.

The following tables summarizes the interest rate exposure by setting out the book value of financial asset and liability items of the Group categorized based on the shorter date between the interest rate re-pricing date and the maturity date of the financial asset or liability.

31 December 2007

	Up to 1 month	1-3 months	3- 12 months	1-5 years	Over 5 years	Non interest bearing	Total
ASSETS							
Cash and balances with Central Bank	663.416	-	-	-	-	260.941	924.357
Treasury bills	14.359	-	17.720	-	-	(684)	31.395
Due from other banks	2.287.470	201.072	41.796	-	-	11.296	2.541.634
Trading securities	98.608	216.180	165.928	734.822	127.053	51.201	1.393.792
Derivative financial instruments	21.520	-	-	-	-	-	21.520
Loans and advances to customers	10.244.037	1.040.411	1.696.139	6.524.171	350.337	(338.893)	19.516.203
Available-for-sale securities	366.924	756.978	446.826	15.770	10.514	3.154	1.600.166
Held-to-maturity securities	70.164	-	-	-	-	-	70.164
Other assets	-	-	-	-	-	298.880	298.880
Total Financial Assets	13.766.498	2.214.641	2.368.409	7.274.763	487.904	285.895	26.398.111
Liabilities							
Due to other banks	3.281.572	148.413	10.994	-	-	3.665	3.444.644
Derivative financial instruments	21.713	-	-	-	-	-	21.713
Due to customers	12.259.953	2.534.840	3.091.818	113.757	-	126.635	18.127.003
Debt securities in issue	352.745	2.234.052	293.954	-	-	-	2.880.751
Other borrowed funds	220.902	486.162	-	-	-	-	707.064
Due to State pension funds	61.041	-	-	266.484	225.324	-	552.849
Other liabilities	-	-	-	-	-	372.771	372.771
Total Financial Liabilities	16.197.926	5.403.467	3.396.766	380.241	225.324	503.071	26.106.795
Net on-balance sheet financial position	(2.431.428)	(3.188.826)	(1.028.357)	6.894.522	262.580	(217.176)	291.316

	Up to 1 month	1-3 months	3- 12 months	1-5 years	Over 5 years	Non interest bearing	Total
31 December 2006							
Total Financial Assets	12.148.498	3.054.534	3.034.210	3.513.355	449.746	(227.579)	21.972.764
Total Financial Liabilities	13.840.335	3.105.678	2.700.612	651.617	253.290	648.453	21.199.985
Net on-balance sheet financial position	(1.691.837)	(51.144)	333.598	2.861.738	196.456	(876.032)	772.779

3.6 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 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:

- (a) Minimum reserve balance as defined by the Bank of Greece.
- (b) 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 liability items of the Group by remaining maturity as at the reporting date.

31 December 2007

	Up to 1 month	1-3 months	3- 12 months	1-5 years	Over 5 years	Total
ASSETS						
Cash and balances with Central Bank	722.861	7	-	3	201.486	924.357
Treasury bills	14.359	-	17.720	-	(684)	31.395
Due from other banks	2.271.156	232.863	19.888	17.727	-	2.541.634
Trading securities	18.013	11.916	115.212	847.284	401.367	1.393.792
Derivative financial instruments	21.520	-	-	-	-	21.520
Loans and advances to customers	3.123.444	1.194.775	3.185.951	4.199.212	7.812.821	19.516.203
Available-for-sale securities	5.798	16.430	316.886	719.448	541.604	1.600.166
Held-to-maturity securities	901	2.197	5.319	54.207	7.540	70.164
Other assets	1.214	7.205	137.813	601	152.047	298.880
Total Financial Assets	6.179.266	1.465.393	3.798.789	5.838.482	9.116.181	26.398.111
Liabilities						
Due to other banks	3.264.505	12.181	21.686	-	146.272	3.444.644
Derivative financial instruments	21.713	-	-	-	-	21.713
Due to customers	12.236.230	2.619.336	3.133.117	138.320	-	18.127.003
Debt securities in issue	-	-	-	2.471.326	409.425	2.880.751
Other borrowed funds	-	-	-	220.727	486.337	707.064
Due to State pension funds	61.041	-	-	266.484	225.324	552.849
Other liabilities	5.789	327.389	30.894	7.692	1.007	372.771
Total Financial Liabilities	15.589.278	2.958.906	3.185.697	3.104.549	1.268.365	26.106.795
Net on-balance sheet financial position	(9.410.012)	(1.493.513)	613.092	2.733.933	7.847.816	291.316

	Up to 1 month	1-3 months	3- 12 months	1-5 years	Over 5 years	Total
31 December 2006						
Total Financial Assets	4.536.854	1.912.540	3.531.788	5.313.381	6.678.201	21.972.764
Total Financial Liabilities	5.336.717	2.337.368	3.404.375	1.548.974	8.572.551	21.199.985
Net on-balance sheet financial position	(799.863)	(424.828)	127.413	3.764.407	(1.894.350)	772.779

3.7 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.

3.8 Fair Values of Financial Assets and Liabilities

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

	31 December 2007	
	Book Value	Fair Value
Financial assets		
Due from other banks	2.541.634	2.541.634
Loans and advances to customers (after provisions)	19.516.203	19.515.869
Held-to-maturity securities	70.164	70.228
Financial liabilities		
Due to other banks	3.444.644	3.444.644
Due to customers	18.127.003	18.127.212
Debt securities in issue	2.880.751	2.838.197
Other borrowed funds	707.064	702.776

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 credit risk and term. The calculation of the fair value of deposits to customers is based on discounting future cash flows with inter-bank rates according to the term of each deposit.

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 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 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 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 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) Due to state pension funds

The estimates, judgements and assumptions, concerning the liabilities to State pension funds are illustrated in Note 35.

(e) Investments in associates

The estimates, judgements and assumptions, concerning the investments in associates are illustrated in Note 26.

(f) Income taxes

Estimates are required for the income tax calculation, since the Group companies are subject to income tax in different countries. Tax estimation is subjective due to the nature and the volume of transactions in the normal course of the Group business. 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.

5. Segment Reporting

From 1/1 to 31/12/2007	Group	Retail	Corporate	Insurance and Asset management	Investment Banking & Treasury	Other
Net interest income	759.423	618.554	101.923	2.516	34.275	2.155
Net commission income	153.281	115.305	21.823	1.095	15.058	-
Net fee and income from insurance activities	2.397	-	-	2.397	-	-
Other income	33.480	3.713	3.324	(526)	7.899	19.070
TOTAL NET INCOME	948.581	737.572	127.070	5.482	57.232	21.225
Employee benefits	(431.279)	(342.742)	(27.914)	(4.376)	(12.225)	(44.022)
Impairment loans and advances	(218.271)	(184.897)	(33.374)	-	-	-
Other Provisions	(15.430)	-	-	-	-	(15.430)
Other administration expenses	(233.117)	(185.720)	(15.689)	(1.928)	(9.837)	(19.943)
TOTAL OPERATING EXPENSES	(898.097)	(713.359)	(76.977)	(6.304)	(22.062)	(79.395)
Share of gain of associates	240	-	-	-	240	-
PROFIT / (LOSSES) BEFORE TAXES	50.724	24.213	50.093	(822)	35.410	(58.170)

From 1/1 to 31/12/2006*	Group	Retail	Corporate	Insurance and Asset management	Investment Banking & Treasury	Other
Net interest income	713.112	594.674	80.871	970	35.008	1.589
Net commission income	159.128	104.096	23.030	24.049	7.953	-
Net fee and income from insurance activities	2.223	-	-	2.223	-	-
Other income	75.158	114	3.577	98	51.737	19.632
TOTAL NET INCOME	949.621	698.884	107.478	27.340	94.698	21.221
Employee benefits	(397.746)	(317.399)	(26.126)	(2.851)	(11.972)	(39.398)
Impairment loans and advances	(473.334)	(357.089)	(116.245)	-	-	-
Other Provisions	(59.703)	-	-	-	-	(59.703)
Other administration expenses	(233.043)	(176.993)	(17.073)	(1.455)	(10.785)	(26.737)
TOTAL OPERATING EXPENSES	(1.163.826)	(851.481)	(159.444)	(4.306)	(22.757)	(125.838)
Share of loss of associates	(5.147)	-	-	-	(5.147)	-
PROFIT / (LOSSES) BEFORE TAXES	(219.352)	(152.597)	(51.966)	23.034	66.795	(104.617)

* 2006 figures have been adjusted for comparison reason

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

Corporate refers to products and services offered to corporations and shipping companies.

Insurance and asset management services refer to portfolio management for clients of Asset Management AEDAK and insurance products offered by the insurance companies of the Group.

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- 31/12/2007	01/01- 31/12/2006*
Interest and similar income		
Cash and short-term funds	86.447	47.672
Bonds/ Treasury bills	200.319	114.872
Lending securities and reverse repos	26	15
Loans and advances	1.112.783	888.525
	1.399.575	1.051.084
Interest and similar expense		
Banks and customers	(472.750)	(226.438)
Debt securities	(96.161)	(61.334)
Securities and repos	(15.393)	(12.353)
Due to pension funds	(19.650)	(24.093)
Other borrowing funds	(36.198)	(13.754)
	(640.152)	(337.972)
Net interest income	759.423	713.112

* 2006 figures have been adjusted for comparison purposes

	<u>01/01- 31/12/2007</u>	<u>01/01- 31/12/2006</u>
7. Net Commission Income		
Commission income		
Loans	33.366	34.489
Working capital	7.270	6.792
Letters of guarantee	13.211	14.189
Credit cards	28.148	28.825
Imports – Exports	6.092	7.825
Mutual Funds	3.506	15.186
Other commissions	70.712	59.664
	<u>162.305</u>	<u>166.970</u>
Commission expense		
Credit card commissions	(6.396)	(6.439)
Other	(2.628)	(1.403)
	<u>(9.024)</u>	<u>(7.842)</u>
Net commission income	<u>153.281</u>	<u>159.128</u>
8. Dividend Income	<u>01/01- 31/12/2007</u>	<u>01/01- 31/12/2006</u>
Trading portfolio	1.827	501
Available-for-sale portfolio	-	2.443
Total dividend income	<u>1.827</u>	<u>2.944</u>
9. Net Trading Results	<u>01/01- 31/12/2007</u>	<u>01/01- 31/12/2006</u>
Net profit from transactions and foreign exchange valuation	2.781	6.623
Net loss from sale and valuation of bonds	(22.240)	(30.945)
Net profit from sale & valuation of shares & other variable yield securities	3.279	4.631
Net profit from sale and valuation of derivatives	6.354	30.909
Net profit from sale and valuation of mutual funds	281	-
Net loss from sale of receivables	(709)	-
Total net trading results	<u>(10.254)</u>	<u>11.218</u>
10. Gains less Losses from Investment Securities	<u>01/01- 31/12/2007</u>	<u>01/01- 31/12/2006</u>
Net profit from sale of bonds	81	182
Net profit from sale of shares and other variable yield securities	11.680	9.885
Net profit from sale and valuation of mutual funds	946	-
Net profit from sale of subsidiaries	7.105	27.507
Total gain less losses investment portfolio	<u>19.812</u>	<u>37.574</u>

11. Net Income from Insurance Operations	01/01- 31/12/2007	01/01- 31/12/2006
Net life insurance premiums and rights	21.566	33.041
Net premiums from insurance contracts	21.566	33.041
Life insurance claims (excluding DAF & Unit Linked)	(2.053)	(894)
Change of reserves on non finalized compensations	(121)	(110)
Change of technical reserves	(16.995)	(29.814)
Net claims and benefits on insurance contracts	(19.169)	(30.818)
Total net income from insurance operations	2.397	2.223

12. Other Operating Income	01/01- 31/12/2007	01/01- 31/12/2006
Rental income	878	1.553
Proceeds from written-off receivables	4.673	3.391
Gain from the sale of fixed assets	5.449	7.757
Income from non banking subsidiaries	4.928	4.944
Operating leases	2.394	3.469
Other	3.773	2.308
Total other operating income	22.095	23.422

13. Staff Costs	01/01- 31/12/2007	01/01- 31/12/2006
Salaries and wages	(290.727)	(284.218)
Social security costs (principal and auxiliary plans)	(85.930)	(98.747)
Other benefits	(54.622)	(14.781)
Total staff costs	(431.279)	(397.746)

Total personnel of the Group as at 31 December 2007 were 6.747 compared to 7.609 as at 31 December 2006.

14. Other Operating Expenses	01/01- 31/12/2007	01/01- 31/12/2006
Fees and third party expenses	(26.297)	(28.103)
Third parties fees	(51.905)	(58.669)
Insurance fees	(15.005)	(10.037)
Taxes and duties	(19.682)	(18.521)
Other expenses	<u>(87.828)</u>	<u>(82.419)</u>
Total other operating expenses	<u>(200.717)</u>	<u>(197.749)</u>

15. Income Tax	01/01- 31/12/2007	01/01- 31/12/2006
Tax for the period	(30.707)	(76.953)
Deferred taxation (Note 40)	<u>9.600</u>	<u>69.469</u>
Total income tax	<u>(21.107)</u>	<u>(7.484)</u>

16. Earnings per Share	01/01- 31/12/2007	01/01- 31/12/2006
Profit / (loss) allocated to shareholders of the Bank (in € thousands)	73.370	(234.725)
Average number of shares (excluding own shares)	<u>132.391.468</u>	<u>132.391.468</u>
Profit / (loss) per share (in €)	<u>0,55</u>	<u>(1,77)</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.

17. Cash and Balances with Central Banks	<u>31/12/2007</u>	<u>31/12/2006</u>
Cash	260.941	226.034
Deposits at Central Bank excluding obligatory deposits for liquidity purposes	455.257	268.898
Cheques receivables – Central Bank clearing office	2.850	3.553
Included as cash and cash equivalents (Note 43)	719.048	498.485
Obligatory deposits at Central Banks	205.309	292.957
Total cash and balances with Central Bank	924.357	791.442

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 million). 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).

18. Treasury Bills	<u>31/12/2007</u>	<u>31/12/2006</u>
Greek State treasury bills	31.395	6.895
Foreign government treasury bills	-	8.054
Total treasury bills (Note 43)	31.395	14.949

19. Due from Other Banks	<u>31/12/2007</u>	<u>31/12/2006</u>
Cheques receivable	7.261	5.454
On demand	172.152	220.864
Placements in other banks	1.987.527	881.553
Other amounts due	52.991	97.711
Included as cash and cash equivalents (Note 43)	2.219.931	1.205.582
Placements in other banks not included in cash and cash equivalents	305.100	-
Loans to other banks	16.603	57.276
Total due from other banks	2.541.634	1.262.858

20. Trading Securities	<u>31/12/2007</u>	<u>31/12/2006</u>
Bonds issued by Greek State (Note 43)	1.026.132	1.169.566
Bonds issued by other Governments (Note 43)	413	31.691
Other issuers bonds	323.699	446.979
Listed shares	28.922	46.286
Non listed shares	1.346	1.234
Mutual funds	13.280	27.247
Total trading securities	1.393.792	1.723.003

21. Derivative financial instruments

	31/12/2007			31/12/2006		
	Contract/ Nominal value	Fair value		Contract/ Nominal value	Fair value	
		Assets	Liabilities		Assets	Liabilities
a) Currency derivatives						
Currency forwards	469.513	1.684	946	626.291	-	2.548
Currency swaps	3.476	-	20	50.093	1.139	-
Currency options	-	-	-	7.785	98	52
Total		1.684	966		1.237	2.600
b) Interest rate derivatives						
Interest rate swaps	2.343.180	16.315	19.893	4.934.950	50.202	50.050
Exchange traded interest rate futures	-	-	-	9.871	79	40
Caps	58.127	642	771	56.450	451	579
Total		16.957	20.664		50.732	50.669
c) Index options						
OTC index options	2.516	119	83	29.077	310	266
Total		119	83		310	266
d) Bond Futures						
Exchange traded bond / futures	244.931	2.760	-	284.600	98	4.468
		2.760	-		98	4.468
Total derivative financial instruments		21.520	21.713		52.377	58.003

22. Loans and Advances to Customers	<u>31/12/2007</u>	<u>31/12/2006</u>
Loans to individuals		
Revolving Easy Business	548.516	473.569
Credit Cards	443.036	443.686
Consumer Loans	2.504.420	2.172.740
Mortgage Loans	7.607.534	6.116.158
	11.103.506	9.206.153
Loans to legal entities		
Large Corporate Customers	3.662.478	3.102.427
Small and medium size enterprises (SMEs)	5.769.904	6.067.146
	9.432.382	9.169.573
Total loans and advances to customers	20.535.888	18.375.726
Less: Impairment losses on loans and advances	1.019.685	1.149.540
	19.516.203	17.226.186
Floating interest rate	14.975.443	15.140.924
Fixed interest rate	5.560.445	3.234.802
Total loans and advances to customers	20.535.888	18.375.726
Impairment losses on loans and advances	<u>31/12/2007</u>	<u>31/12/2006</u>
Balance at 1 January	1.149.540	686.019
Discontinued Operations	(12.375)	6.373
Change of participation in subsidiaries and consolidation method	(100)	-
Unwinding (realisation of impairment loss) and write-offs	(322.549)	(16.186)
Impairment Provision for loans and advances	218.271	473.334
Transfer to other Provisions	(13.102)	-
Balance at 31 December	1.019.685	1.149.540
23. Available-for-Sale Securities	<u>31/12/2007</u>	<u>31/12/2006</u>
Treasury bills	5.611	-
Bonds issued by Hellenic Republic	396.945	227.906
Other issuers bonds	1.154.477	12.865
Listed shares	3.036	11.084
Non listed shares	10.374	13.037
Mutual funds	29.723	12.811
Total available-for-sale securities	1.600.166	277.703

24. Held-to-Maturity Securities	<u>31/12/2007</u>	<u>31/12/2006</u>
Bonds issued by Hellenic Republic	-	27.945
Bonds issued by other Governments	410	11.884
Treasury bills	2.912	-
Other issuers bonds	66.842	89.684
Total held-to-maturity securities	<u>70.164</u>	<u>129.513</u>

25. Participation in Subsidiaries

The following subsidiaries were consolidated using the full consolidation method:

Company	Country of incorporation	Direct & indirect % participation as at	
		31/12/2007	31/12/2006
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	100,00	100,00
5 EMPORIKI BANK CYPRUS	CYPRUS	91,18	81,19
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	98,48	98,48
11 PHOENIX METROLIFE EMPORIKI	GREECE	-	89,84
12 EMPORIKI ASSET MANAGEMENT A.E.P.E.Y.	GREECE	-	80,00
13 ERMIS AEDAK	GREECE	-	71,70
14 EMPORIKI ASSET MANAGEMENT A.E.D.A.K.	GREECE	73,10	-
15 EMPORIKI DEVELOPMENT & REAL ESTATE MANAGEMENT	GREECE	100,00	100,00
16 GREEK INDUSTRY OF BAGS	GREECE	58,71	70,26
17 EMPORIKI RENT (proportionate consolidation)	GREECE	50,00	51,00
18 EMPORIKI LIFE (proportionate consolidation)	GREECE	50,00	50,00
19 EMPORIKI CREDICOM (proportionate consolidation)	GREECE	50,00	50,00

The merger of the group company EMPORIKI ASSET MANAGEMENT with ERMIS AEDAK, was completed on 22 January 2007, and the new company was renamed EMPORIKI ASSET MANAGEMENT AEDAK.

Additionally, the Banks's Board of Directors decided, on 8 February 2007, to curtail the operations of EMPORIKI BANK GERMANY initiating restructuring involving the transfer of part of the subsidiary's operations to a German branch of the Bank.

During the first quarter the Bank bought 1.698.300 shares of Emporiki Bank Cyprus Ltd from Quantum Financial Ltd for 6,5 mil. As a result Emporiki Bank increased its participation by 9,99%.

On 18.05.2007, on 23.07.2007 and on 26.11.2007 the share capital of Emporiki Credicom was increased by € 15 mil., € 18 mil. and € 9 mil., respectively. Emporiki Bank participated in this capital increase, without any dilution of its participation.

On 11.05.2007 the share capital of PHOENIX METROLIFE EMPORIKI was increased by € 11 mil. After the capital increase Emporiki Bank's participation percentage increased by 0,29%. On 29.06.2007 the acquisition of PHOENIX METROLIFE EMPORIKI by Groupama International was completed. Specifically 108.009.631 shares (90,13%), owned by Emporiki Bank, were sold for € 86,8 mil.

On 29.06.2007 the subsidiary company EMPORIKI RENT decided to reduce its share capital from € 6 mil. to € 0,5 mil. Consequently the Bank was paid back, pro - rata to its participation, the amount of € 2,8 mil.

The Bank of Greece, approved the establishment of a company with the trade name «CARREFOUR MARINOPOULOS CREDIT COMPANY S.A.», in which the Bank's subsidiary company «EMPORIKI CREDICOM BANK S.A.» will participate with a holding of 40%.

Emporiki Credicom bought on 15.05.2007 a participation of 49 % in Emporiki Rent for € 6,13 mil. from third parties and on 29.08.2007 bought the remaining 51% of the company, which the Bank owned, for € 2,75 mil. Consequently, Emporiki Credicom increased its participation percentage in Emporiki Rent to 100% .

On 11.09.2007 the sale of ELVIO S.A. to Helbio Holding S.A. was completed for € 3,2 mil.

On 09.10.2007 the purchase from Emporiki Bank of «Emporiki's Bank Germany Gmbh» participation percentage (0,22%) in «EMPORIKI BANK ROMANIA SA» was completed. Hence, the effective participation in «EMPORIKI BANK ROMANIA SA» has not changed although the direct group participation has increased to 98,35%.

Since 31.12.2007 Emporiki Bank established a new general insurance company. The new company's share capital is € 9 mil. and Credit Agricole is to participate with a percentage of 50%.

On 30.11.2007 the share capital of EMPORIKI BANK ALBANIA was increased by € 5,8 mil., represented by 7.203 new shares.

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

Company

- 1 EMPORIKI MEDIA EPE
- 2 BANKING DEVELOPMENT TRAINING AND RESEARCH CENTER
- 3 TOTAL CARE AE
- 4 PRESERVILLE ENTERPRISES LTD
- 5 ORMISTONE HOLDINGS LTD
- 6 DICAPRIO
- 7 MR SNACK
- 8 EMPORIKI INSURANCES AEGA

26. Participation in Associates

The following associates were consolidated using the equity method:

Company	Country of incorporation	Direct & indirect % participation as at	
		31/12/2007	31/12/2006
1 INDUSTRY OF PHOSPHORIC FERTILIZER	GREECE	42,16	44,00
2 EULER HERMES EMPORIKI	GREECE	21,71	37,82

On 21.06.2007 the share capital of EULER HERMES EMPORIKI was increased by € 1,14 mil. Emporiki Bank participated to this capital increase based on its own participation percentage and also for PHOENIX METROLIFE EMPORIKI participation percentage. As a result Emporiki Bank owns 178.000 shares which represent the 21,71% of the company .

On 26.07.2007 was approved the participation of the Bank to the share capital increase of INDUSTRY OF PHOSPHORIC FERTILIZERS S.A by € 95 mil. with partial capitalization of the Company's debts that amounts to € 26,4 mil.

On 26.10.2007 the procedure of transferring EMPORIKI's Bank participation in the company ALPHA GRAPHICS FRANCHISE DEVELOPMENT LIMITED to the company OPTIONS CASSOULIDES PROPERTIES AND INVESTMENTS LTD, for € 0,4 mil., was completed and 923.805 common shares, which represent 49% of the total share capital of the company, were sold.

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

27. Intangible Assets

	<u>Software</u>
1 January 2006	
Cost	74.670
Accumulated depreciation	<u>(54.516)</u>
Net book value	<u>20.154</u>
31 December 2006	
Opening net book value	20.154
Additions/Disposals	4.431
Change in depreciation	<u>(10.285)</u>
Closing net book value	<u>14.300</u>
31 December 2006	
Cost	79.101
Accumulated depreciation	<u>(64.801)</u>
Net book value	<u>14.300</u>
31 December 2007	
Opening net book value	14.300
Discontinued Operations	(1.175)
Additions/Disposals	5.397
Change in depreciation	<u>(5.884)</u>
Closing net book value	<u>12.638</u>
31 December 2007	
Cost	83.323
Accumulated depreciation	<u>(70.685)</u>
Net book value	<u>12.638</u>

28. Property, plant and equipment

	Land, Buildings and Leasehold Improvements	Other Fixed Assets	Total
1 January 2006			
Cost	301.578	231.874	533.452
Accumulated depreciation	(6.871)	(154.725)	(161.596)
Net book value	294.707	77.149	371.856
31 December 2006			
Opening net book value	294.707	77.149	371.856
Additions/Disposals	4.735	14.210	18.945
Change in depreciation	(3.525)	(20.027)	(23.552)
Closing net book value	295.917	71.332	367.249
31 December 2006			
Cost	306.313	246.084	552.397
Accumulated depreciation	(10.396)	(174.752)	(185.148)
Net book value	295.917	71.332	367.249
31 December 2007			
Opening net book value	295.917	71.332	367.249
Discontinued Operations	(27.877)	(1.344)	(29.221)
Additions/Disposals	4.655	20.654	25.309
Change in depreciation	(3.333)	(19.100)	(22.433)
Closing net book value	269.362	71.542	340.904
31 December 2007			
Cost	283.091	265.394	548.485
Accumulated depreciation	(13.729)	(193.852)	(207.581)
Net book value	269.362	71.542	340.904

29. Investment Property

	<u>Land</u>	<u>Buildings and Equipment</u>	<u>Total</u>
1 January 2006			
Cost	82.710	38.426	121.136
Accumulated depreciation	-	(4.588)	(4.588)
Net book value	82.710	33.838	116.548
31 December 2006			
Opening net book value	82.710	33.838	116.548
Additions/ Disposals	(14.618)	11.518	(3.100)
Change in depreciation	-	(3.711)	(3.711)
Closing net book value	68.092	41.645	109.737
31 December 2006			
Cost	68.092	49.944	118.036
Accumulated depreciation	-	(8.299)	(8.299)
Net book value	68.092	41.645	109.737
31 December 2007			
Opening net book value	68.092	41.645	109.737
Discontinued Operations	(7.092)	(4.191)	(11.283)
Additions/Disposals	4.435	3.881	8.316
Change in depreciation	-	(4.083)	(4.083)
Closing net book value	65.435	37.252	102.687
31 December 2007			
Cost	65.435	49.634	115.069
Accumulated depreciation	-	(12.382)	(12.382)
Net book value	65.435	37.252	102.687

30. Other Assets

	<u>31/12/2007</u>	<u>31/12/2006</u>
Prepaid expenses	2.427	30.928
Accrued income	128.916	70.442
Other	167.537	393.363
Total other assets	298.880	494.733

31. Due to Other Banks

	<u>31/12/2007</u>	<u>31/12/2006</u>
Borrowings from banks	3.392.624	1.119.200
Current accounts	51.348	95.785
Other liabilities	672	46.818
Total due to other banks	3.444.644	1.261.803

32. Due to Customers	<u>31/12/2007</u>	<u>31/12/2006</u>
Deposits from legal entities		
Current accounts	1.889.065	1.667.086
Term deposits	<u>1.396.308</u>	<u>1.467.628</u>
	3.285.373	3.134.714
Deposits from individuals		
Current accounts	501.014	517.032
Term deposits	7.685.816	5.823.264
Saving accounts	<u>6.543.142</u>	<u>7.046.760</u>
	14.729.972	13.387.056
Cheques and remittances payable	111.658	135.044
Total due to customers	<u>18.127.003</u>	<u>16.656.814</u>
Fixed interest rate	8.933.220	7.290.892
Floating interest rate	<u>9.082.125</u>	<u>9.230.878</u>
Total deposits	<u>18.015.345</u>	<u>16.521.770</u>

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

33. Debt Securities in Issue	<u>31/12/2007</u>	<u>31/12/2006</u>
Debt securities	2.880.678	1.381.146
Other credit titles	<u>73</u>	<u>73</u>
Total debt securities in issue	<u>2.880.751</u>	<u>1.381.219</u>

Until the 31th of December 2007 Emporiki Bank repaid, through the special purpose entity “Lithos Mortgage Financing Plc”, € 404.568.754 mortgage backed securities.

In 2007 Emporiki Bank Group issued 9 debt securities, through Emporiki Finance Plc, with a nominal value of € 2.280.000.000, analyzed as follows:

	<u>Maturity Date</u>	<u>Interest</u>
Nominal Value loan of € 50.000.000	15.03.2016	3m Euribor + 0,005%
Nominal Value loan of € 60.000.000	26.02.2015	3m Euribor + 0,005%
Nominal Value loan of € 70.000.000	26.02.2019	6m Euribor + 0,110%
Nominal Value loan of € 400.000.000	29.06.2010	3m Euribor +0,110%
Nominal Value loan of € 400.000.000	27.06.2012	3m Euribor +0,140%
Nominal Value loan of € 300.000.000	17.04.2009	3m Euribor +0,150%
Nominal Value loan of € 500.000.000	19.11.2009	3m Euribor +0,170%
Nominal Value loan of € 250.000.000	29.10.2010	6m Euribor +0,225%
Nominal Value loan of € 250.000.000	19.11.2010	3m Euribor +0,250%

As at 31 December 2007, the Bank owned debt securities issued by Lithos Mortgage Financing Plc and Emporiki Group Finance Plc with a total value of € 38.160.622.

34. Other Borrowed Funds	<u>31/12/2007</u>	<u>31/12/2006</u>
Subordinated notes	337.064	340.989
Subordinated notes due to the parent company	200.000	200.000
Hybrid securities due to the parent company	<u>170.000</u>	<u>170.000</u>
Total other borrowed funds	<u>707.064</u>	<u>710.989</u>

As at 31 December 2007, the Bank owned subordinated debt securities issued by Emporiki Group Finance Plc with a total value of € 12.323.486.

35. Due to State 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, which the Bank has opted to adopt, all employees and pensioners that were employed up to 31 December 2004 will no longer 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, respectively, 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 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 million 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 proceeded to the payment of the scheduled installments as these were defined in the economic study mentioned above.

Notwithstanding the rejection of the temporary injunctive measures filed by the employee union (First Instance Court judgment, 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. There are pending legal actions against the bank (from former and current Emporiki Bank employees), of which the first two were discussed in the First Instance Court of Athens on 14 February of 2007. The First Instance Court of Athens issued its ruling, number 116/2008, on 18 January 2008 and judged that the provisions of Law 3455/2006 are unconstitutional and the termination of employee contracts relating to TEAPETE is invalid. The above court ruling is neither executable nor does it have any immediate other consequences for Emporiki Bank. The final outcome of the relevant legal proceedings cannot be currently assessed.

The management of the Bank assesses that the procedures provided by the Laws will continue without affecting the Bank's goals, its course and employee relations.

36. Personnel Leaving Indemnities	<u>31/12/2007</u>	<u>31/12/2006</u>
Defined benefit plans of Greek subsidiaries	-	26.359
Law 2112/20 employee claims	1.522	2.095
Defined benefit plans of foreign subsidiaries	<u>5.044</u>	<u>3.881</u>
Total personnel leaving indemnities	<u>6.566</u>	<u>32.335</u>

37. Insurance Reserves	<u>31/12/2007</u>	<u>31/12/2006</u>
PHOENIX METROLIFE insurance and technical reserves	-	552.523
EMPORIKI LIFE insurance and technical reserves	<u>69.129</u>	<u>51.543</u>
Total insurance reserves	<u>69.129</u>	<u>604.066</u>

38. Other Provisions	<u>31/12/2007</u>	<u>31/12/2006</u>
Provisions for tax issues	12.408	12.700
Provisions for non – used vacation leaves	7.500	9.195
Provisions for litigations	37.781	44.068
Provisions for suspense accounts & other receivable	45.700	22.196
Provisions for guarantees given	19.777	1.258
Other provisions	<u>1.032</u>	<u>822</u>
Total other provisions	<u>124.198</u>	<u>90.239</u>

39. Other Liabilities	<u>31/12/2007</u>	<u>31/12/2006</u>
Dividends payable	974	1.603
Accrued expenses and deferred income	112.631	103.981
Other	<u>259.166</u>	<u>404.107</u>
Total other liabilities	<u>372.771</u>	<u>509.691</u>

40. Deferred Tax Assets/ Liabilities

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

Deferred tax assets and liabilities arise from:

	<u>31/12/2007</u>	<u>31/12/2006</u>
Deferred tax assets		
Intangible assets write-off	1.162	1.867
Impairment of loans and receivables	154.500	121.683
Provision for the cost of transfer to ETEAM	138.212	155.500
Commissions recognition based on effective interest rates	6.176	6.384
Impairment of investments for companies under liquidation	7.000	7.000
Provision for staff expenses	9.440	12.107
Other provisions	14.041	14.747
Other temporary tax differences	3.891	1.954
	<u>334.422</u>	<u>321.242</u>
Deferred tax liabilities		
Buildings reduced depreciation rates	4.779	3.598
Financial leases	2.171	1.906
Other temporary tax differences	2.947	834
	<u>9.897</u>	<u>6.338</u>
Change of participation in subsidiaries and consolidation method	(166)	-
Net deferred tax assets	<u>324.359</u>	<u>314.904</u>

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

	<u>31/12/2007</u>	<u>31/12/2006</u>
Deferred tax (income statement)		
Intangible assets variation	(705)	(993)
Impairment of loans and receivables	32.817	88.619
Commission recognition based on real interest rates	(208)	(561)
Provision for staff expenses	(2.667)	8.758
Buildings reduced depreciation rates	(1.182)	(2.023)
Impairment of investments in companies under liquidation	-	(1.837)
Financial leases	(265)	1.709
Provision for the cost of transfer to ETEAM	(17.288)	(39.074)
Other provisions	(706)	14.747
Other temporary tax differences	(341)	176
	<u>9.455</u>	<u>69.521</u>
Change of participation in subsidiaries and consolidation method	145	-
Transfer from Other Liabilities to Impairment of loans and receivables	-	(78)
Transfer from Other Assets to Other temporary tax differences	-	26
Total deferred tax	<u>9.600</u>	<u>69.469</u>

41. Contingent Liabilities and Commitments

a) Legal issues

The Group companies during the normal course of their business are defendants in claims from customers and other legal actions, for which a provision, recognized in Income Statement for the year of 2006, has been made. The Bank's Legal division the ultimate disposition of these matters is not expected to have any further material effect on the financial has advised that the position or operations of the Group.

b) Commitments

	<u>31/12/2007</u>	<u>31/12/2006</u>
Letters of guarantee	1.883.345	1.823.809
Unused approved credit limits	<u>13.541.794</u>	<u>11.598.472</u>
	<u>15.425.139</u>	<u>13.422.281</u>

Emporiki Credicom, a 50% jointly controlled entity will finance its subsidiary Emporiki Rent with € 80 mil. The contingent liability that arises is fully guaranteed by Emporiki Bank.

c) Pledged assets

Pledged assets as at 31 December 2007 amount to € 1.401.873 (€ 447.800 as at 31 December 2006) including Hellenic Republic bonds 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 and for the securitization of mortgages.

Additionally, bonds with a nominal value of € 334.228 are provided as collateral as part of repurchasing agreements (Repos) with another credit institution.

42. Share Capital

The share capital as at 31 December 2007 and 31 December 2006, amount to €728.153.074 comprising 132.391.468 ordinary shares of € 5,5 nominal value each.

43. 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>31/12/2007</u>	<u>31/12/2006</u>
Cash and balances with Central Banks (Note 17)	719.048	498.485
Treasury bills (Note 18)	31.395	14.949
Due from banks (Note 19)	2.219.931	1.205.582
Trading portfolio (Note 20)	<u>1.026.545</u>	<u>1.201.257</u>
Total cash and cash equivalents	<u>3.996.919</u>	<u>2.920.273</u>
Cash and cash equivalents from discontinued operations	-	(33.328)
Total cash and cash equivalents	<u>3.996.919</u>	<u>2.886.945</u>

44. Related Party Transactions

Credit Agricole and pension funds with participating interests of 72,42 % and 7,87% respectively, constituted the major shareholders of the Bank as at 31 December 2007. The remaining shares are widely held and traded on the Athens Stock Exchange.

Board of Directors	01/01- 31/12/2007	01/01- 31/12/2006
Board of Directors fees*	2.215	1.965
	31/12/2007	31/12/2006
Deposits	764	14.811
Loans	158	53.459
	922	68.270

* The fees of the non-executive members of the Board of Directors of the Bank were € 412 thousands for the year 2007 and € 160 thousands for the year 2006.

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

Associates	31/12/2007	31/12/2006
Assets		
- Loans and advances to customers	55.179	56.173
Liabilities		
- Due to customers	4.639	13.477
	01/01- 31/12/2007	01/01- 31/12/2006
Income		
- Interest & similar income	2.364	2.134
Expense		
- Interest expense & similar charges	65	26

Transactions and balances with Credit Agricole Group

	<u>31/12/2007</u>	<u>31/12/2006</u>
Assets		
Due from other banks	2.054.126	725.069
Derivative Financial Instruments	1.459	6.549
Trading Securities	6.750	-
Other assets	<u>7.225</u>	<u>137</u>
	2.069.560	731.755
Liabilities		
Due to banks	1.716.558	277.806
Derivative Financial Instruments	370.000	-
Other borrowed funds	2.524	370.000
Other liabilities	<u>5.120</u>	<u>264</u>
	2.094.202	648.070
	<u>01/01 – 31/12/2007</u>	<u>01/01 – 31/12/2006</u>
Income		
Financial transactions	1.743	654
Interest & similar income	<u>51.459</u>	<u>11.528</u>
	53.202	12.182
Expense		
Interest expense & similar charges	53.373	9.669
Fee & commission expense	1.247	35
Other operating expenses	<u>3.989</u>	<u>325</u>
	58.609	10.029

The related party transactions and balances are summarized as follows :

	<u>01/01- 31/12/2007</u>	<u>01/01- 31/12/2006</u>
Income	55.566	14.316
Expense	58.674	10.055
Fees for Board of Directors members and key management personnel	<u>2.215</u>	<u>1.965</u>
	116.455	26.336
	<u>31/12/2007</u>	<u>31/12/2006</u>
Assets	2.124.739	787.928
Liabilities	2.098.841	661.547
Receivables from Board of Directors members and key management personnel	158	53.459
Liabilities to Board of Directors members and key management personnel	<u>764</u>	<u>14.811</u>
	4.224.502	1.517.745

45. Discontinued Operations- Assets and Liabilities

Assets and Liabilities of Emporiki Bank-Germany GmbH have been presented in the consolidated financial statements of 31 December 2007 as Discontinued Operations figures based on the Bank's Board of Directors decision to curtail its operations.

	31st December 2007	
	EMPORIKI BANK - GERMANY	
ASSETS		
Cash and balances with Central Bank	3.395	
Due from other banks	11.264	
Loans and Advances to Customers	100.787	
Other Assets	196	
TOTAL ASSETS from Discontinued Operations	<u>115.642</u>	
LIABILITIES		
Due to other banks	83.207	
Due to customers	12.640	
Other provisions	628	
Other Liabilities	639	
TOTAL LIABILITIES from Discontinued Operations	<u>97.114</u>	

46. Discontinued Operations- Income Statement

	<u>01/01- 31/12/2007</u>	<u>01/01- 31/12/2006</u>
Loss of Phoenix Metrolife Emporiki	(8.598)	(4.901)
Loss of Emporiki Bank-Germany GmbH	(4.392)	(3.874)
Gains from Phoenix Metrolife Emporiki disposal	<u>56.308</u>	<u>-</u>
Total	<u>43.318</u>	<u>(8.775)</u>

The results of Phoenix Metrolife Emporiki and Emporiki Bank-Germany GmbH have been presented in the consolidated financial statements of 31 December 2007 as Discontinued Operations based on the Bank's Board of Directors decision to curtail the operations of Emporiki Bank Germany and to sell the 100% of Phoenix Metrolife Emporiki shares to Groupama International. The results of the two companies are summarised in the following statement :

Income Statement	01/01 – 31/12/2007		01/01 – 31/12/2006	
	PHOENIX METROLIFE EMPORIKI	EMPORIKI BANK - GERMANY	PHOENIX METROLIFE EMPORIKI	EMPORIKI BANK - GERMANY
Interest & similar income	6.234	10.642	8.499	14.030
Interest expense & similar charges	(399)	(6.647)	(746)	(7.323)
Net interest income	5.835	3.995	7.753	6.707
Fee & commission income	-	934	-	2.036
Fee & commission expense	(220)	(86)	(427)	(99)
Net commission income	(220)	848	(427)	1.937
Net premiums from insurance contracts	64.730	-	155.631	-
Net claims and benefits on insurance contracts	(57.248)	-	(132.652)	-
Net income from insurance operations	7.482	-	22.979	-
Dividend income	393	-	5.542	-
Net trading results	(2.485)	252	(3.369)	614
Gains less losses from investment securities	-	34	(267)	-
Other operating income	897	104	5.598	321
Net operating income	11.902	5.233	37.809	9.579
Staff costs	(13.546)	(2.897)	(26.058)	(3.878)
Depreciation & amortization	(726)	(953)	(1.947)	(307)
Impairment losses on loans and receivables	-	(1.345)	-	(6.373)
Other Provisions	(256)	-	-	-
Other operating expenses	(5.972)	(4.608)	(14.705)	(2.895)
Total operating expenses	(20.500)	(9.803)	(42.710)	(13.453)
LOSS BEFORE INCOME TAX	(8.598)	(4.570)	(4.901)	(3.874)
Income tax expense	-	178	-	-
Loss after tax from discontinued operations	(8.598)	(4.392)	(4.901)	(3.874)
Attributable to:				
Equity holders of the Bank	(7.724)	(4.392)	(4.403)	(3.874)
Minority interest	(874)	-	(498)	-
Basic earnings per share from discontinued operations (in Euro)	(0,06)	(0,03)	(0,03)	(0,03)

47. 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%.

Based on the current legislative framework, the Capital adequacy relevant index is analyzed (in € millions) as follows:

Weighted Assets

Weighted Assets on credit risks	18.894
Weighted Assets on market risks	<u>376</u>
Total Risk Weighted Assets	<u>19.270</u>

Regulatory Shareholder's Equity

Tier # 1 Capital	1.306
Tier # 2 Capital	<u>288</u>
Total Regulatory Equity	<u>1.594</u>

The relevant index at 31 December 2007 is approximately 8,3% for the Group.

48. Post Balance Sheet Events

On 18.01.2008 the First Instance Court of Athens issued a decision in relation to legal actions by employees against the Bank in the context of the termination of TEAPETE. The matter is further analysed on note 35.

On 21.01.2008 the appropriate Regulation Authorities approved the establishment of the company "EMPORIKI INSURANCES".