



**Emporiki Bank**

CRÉDIT AGRICOLE GROUP

**FINANCIAL REPORT  
for the six months ended  
30 June 2011**

**(In accordance with the Law 3556/2007)**

**Athens, 29<sup>th</sup> July 2011**

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

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

- The Interim Financial Information for the six months, ended 30 June 2011, have been prepared according to the current accounting standards and present fairly the assets and liabilities, the financial position and the financial performance of the period of the Bank and the Group, as well as the entities that included in the consolidation, considered as total.
- The Interim report of the Board of Directors presents fairly the information, which have required according to the Law 3556/2007.

Athens, 29 July 2011

<b>Name</b>	<b>Surname</b>	<b>Position</b>	<b>Signature</b>
Nikolaos	Ebeoglou	Chairman	
Alain	Strub	Vice – Chairman and Chief Executive Officer	
George	Spiliopoulos	Executive member	

## **II. Board of Directors report for the six months, ended 30 June 2011 according to the Law 3556/2007.**

Emporiki Bank during the first half of 2011 demonstrates a significant 183.3% y-o-y improvement in its Gross Operating Income, which rose to €113.1 million, versus €39.9 million in the first half of 2010, as a result of a significant reduction in its operating expenses and a sustained revenue growth rate despite overall slowdown of demand.

Indeed, Emporiki Bank managed to keep an overall positive trend to the Group Net Banking Income, which rose by 2.6% y-o-y to €377.9 million in the first half of 2011 and increased its market share both in loans and deposits (data for the first five months of 2011), within a context of adverse economic conditions on deposit rates, low customer demand for new loans and income restraints on individuals and enterprises. This development has been achieved by the continuous monitoring of the yield of loans and the cost of deposits, the slightly positive Group's trading income and the combination of new innovative products and efficient commercial activity.

Emporiki Bank achieved a further reduction in its Group Operating Expenses, which amounted to €264.8 million, corresponding to 19.4% y-o-y decrease, following a continued multi level expenditure rationalisation. Excluding transformation costs, the reduction in operating expenses reached 8,2% y-o-y and the cost-to-income ratio for the first six months of the year dropped from 76% in 2010 to 68% in 2011.

The participation of Emporiki Bank to the support plan of Greece results in an estimated €71.4 million impairment of its Greek government bond portfolio, which affected the Cost of Risk. Thus, the Cost of Risk for the first half of 2011 reached €569.8mln. Excluding this one-off effect, it came 12.1% lower y-o-y to €498.4 million, being positively affected by the significant improvements in the credit approval and collection processes. This is also evident in the quality of the new loans portfolio, which is steadily improving. However, on a q-o-q basis and due to the economic conditions that prevailed in the country, Emporiki demonstrated higher cost of risk by 25% (excluding Greek Government Bonds depreciation) in the second quarter of 2011, which is mainly related to the old loan portfolio. In this difficult environment, Emporiki Bank Group keeps applying a very strict provisioning policy. The cost of risk is expected to be reduced in 2011 compared to 2010, however remaining at higher levels than those expected until recently. Nevertheless, Emporiki, with the strength of Crédit Agricole, is able to continue financing the Greek households, professionals and businesses, with a low cost of risk on new loans, despite adverse economic conditions.

Group Net Losses increased to €611.1 million for the first half of 2011 from €535.2 million in 2010, including the Greek Government Bonds depreciation. As a conservative approach, and taking into consideration the adverse market conditions, Emporiki Bank decided to depreciate the Deferred Tax Assets in the amount of € 148 million out of the total amount of € 278 million.

As regards the figures of the second quarter of 2011, Emporiki Bank's Net Banking Income suffered from a slowdown of its operations because of the low demand on loans and declined by 8%; its Net Losses reached €231.5 million excluding Deferred Tax Assets and Greek Government Bonds depreciation (€450.9 million including these two effects). Nevertheless, operating expenses remained stable q-o-q with lower recurring G&A, staff and other expenses. Excluding transformation costs, the reduction in operating expenses was 4% q-o-q.

Within the second quarter of the year, Emporiki Bank continued enhancing its commercial performance, with ongoing launches of innovative products, designed with the expertise of its parent group Crédit Agricole to meet the real needs of its customers, in the current difficult economic environment.

Loan portfolio volumes remained stable at around €22.6 billion on a quarterly basis and decreased by 1.8% on an annual basis in a context of particularly low demand. The application of effective and centralized credit approval procedures has maintained the quality of the Bank's new loans' portfolio with the cost of risk on new loans sustained at low level. The commercial performance of Emporiki Bank, combined with its successful advertising campaigns, has led to an increase of 19.7% in the new loan disbursements to individuals in June versus May, which is indicative of a rising trend.

Deposits stood at €11 billion at Bank level, down by 5.4% since the beginning of the year, reflecting the persistent liquidity difficulties of the Greek market. However, including innovative products launched, the overall deposits from the customers were kept stable in the second quarter.

In the context of a volatile and adverse economic environment, which impacted on the financial results of the second quarter, Emporiki Bank remains focused on the implementation of its Restructuring & Development plan, adjusting it carefully whenever deemed necessary in order to reach breakeven financial results the soonest possible. While preserving a strict provisioning policy, the Bank will continue to address the liquidity needs of Greek households, professionals and businesses and at the same time maintain the increasing trend as regards its market share in deposits, by offering innovative and competitive products

### **BUSINESS VOLUMES - JUNE 2011**

*Emporiki Bank solo*

<b>(€ Million)</b>	<b>June 2011</b>	<b>June 2010</b>	<b>Y-o-Y (%)</b>	<b>Mar. 2011</b>	<b>Dec. 2010</b>
<b>Total Loans* (Bank solo)</b>	<b>22.585</b>	<b>23.005</b>	<b>-1.8%</b>	<b>22.624</b>	<b>22.628</b>
Mortgages (incl. mortgages to professionals)	7.403	7.593	-2.5%	7.451	7.506
Consumer credit	2.260	2.340	-3.4%	2.278	2.292
Business sector	12.922	13.072	-1.1%	12.895	12.830
<b>Total Deposits (Bank solo)</b>	<b>10.980</b>	<b>12.875</b>	<b>-14.7%</b>	<b>11.136</b>	<b>11.612</b>

\* 2010 figures are on a proforma basis for write-offs

**H1 2011 INCOME STATEMENT \*\***
*Emporiki Group*
*\*\*2010 figures are on a proforma basis*

<i>(€ Million)</i>	<b>H1 2011</b>	<b>H1 2010</b>	<b>Y-o-Y (%)</b>	<b>Q2' 11</b>	<b>Q1' 11</b>	<b>Q2' 10</b>
Net interest income	312.7	315.2	-0.8%	152.2	160.5	160.8
Fee and commission income	58.8	59.0	-0.5%	27.4	31.3	29.5
Other income	6.5	-5.9	+209%	1.7	4.8	-10.7
<b>Net banking income</b>	<b>377.9</b>	<b>368.4</b>	<b>2.6%</b>	<b>181.3</b>	<b>196.6</b>	<b>179.6</b>
Staff expenses	-170.6	-190.3	-10.4%	-83.6	-87.0	-94.4
Depreciation	-11.9	-13.1	-9.3%	-5.5	-6.4	-6.3
Other operating expenses	-74.4	-76.6	-2.9%	-36.6	-37.8	-39.3
Transformation costs	-8.0	-48.4	-83.5%	-6.5	-1.5	-44.2
<b>Total Expenses</b>	<b>-264.8</b>	<b>-328.4</b>	<b>-19.4%</b>	<b>-132.1</b>	<b>-132.7</b>	<b>-184.2</b>
<b>Gross Operating Income</b>	<b>113.1</b>	<b>39.9</b>	<b>183,3%</b>	<b>49.2</b>	<b>63.9</b>	<b>-4.5</b>
Impairment losses & other provisions	-569.8	-567.0	0.5%	-348.5	-221.3	-317.6
<b>Operating Results</b>	<b>-456.7</b>	<b>-527.1</b>	<b>+13.4%</b>	<b>-299.3</b>	<b>-157.4</b>	<b>-322.1</b>
Share of Profit (Loss) of Associates	-0.1	-0.1	-52.6%	-0.1	0	-0.1
<b>Results before taxes</b>	<b>-456.7</b>	<b>-527.2</b>	<b>+13.4%</b>	<b>-299.4</b>	<b>-157.4</b>	<b>-322.2</b>
Income tax expense	-154.3	-8.0	N/A	-151.6	-2.8	-3.8
<b>Results after taxes</b>	<b>-611.1</b>	<b>-535.2</b>	<b>-14.2%</b>	<b>-450.9</b>	<b>-160.1</b>	<b>-325.9</b>
Attributable to non-controlling interests	-0.5	-0.1		0.1	-0.6	-0.1
<b>Results after taxes &amp; non-controlling interests</b>	<b>-610.6</b>	<b>-535.1</b>	<b>-14.1%</b>	<b>-451.0</b>	<b>-159.5</b>	<b>-325.8</b>
Cost to income (global)	70.1%	89.2%	-19.1%	72.9%	67.5%	102.5%
Cost to income (excl. trans. costs)	68.0%	76.0%	-8.1%	69.3%	66.7%	77.9%

## **BUSINESS VOLUMES OVERVIEW**

Total **Loans**<sup>1</sup> at the end of June 2011 amounted to €22.6 billion, presenting a slight decrease of 1.8% (€0.4 billion) on a y-o-y basis, affected by the overall slow down of credit activities in Greece. Loans to households decreased y-o-y by 2.7% to €9.7 billion while Business loans decreased y-o-y by 1.1% to €12.9 billion. Despite the adverse financial conditions, total loans remained very close to the December 2010 and March 2011 levels leading to an improvement of market shares and confirming Emporiki's commitment to support the Greek Economy.

**Customer Deposits** fell slightly (€0.15 billion) comparing to March 2011, presenting better performance than the market and leading to market shares improvement. In addition, if customers' placements in "innovative" types of products are taken into account, total customers' funds under management were stabilized during Q2 2011. Comparing to June 2010, customer deposits amounted to €11 billion (y-o-y decrease of 14.7%), as a result of the prevailing market and Greek economy conditions.

**Group Equity** at the end of June 2011 stood at €775 million.

## **H1 2011 GROUP RESULTS OVERVIEW**

**Net Banking Income: €377.9 million, +2.6% y-o-y.**

- **Net Interest Income** was €312.7 million, slightly reduced y-o-y (by 0.8%) due to the negative effects of the adverse environment to loans quality and cost of customer and interbank funding. On a q-o-q basis, Net Interest Income (€152.2 million) decreased by 5.1%, reflecting the further deterioration of the economic and market conditions during the second quarter of 2011.
- **Net Fee Income** remained at prior year levels, despite low commercial activity and amounted to €58.8 million. On a q-o-q basis, reported Net Fee Income for Q2 2011 is lower by almost €4 million, mainly due to seasonality factors, positively affecting the first quarter of the year.
- **Other operating income** for H1 2011 amounted to gains of €6.5 million, comparing to losses of €5.9 million booked in H1 2010, which had been affected by mark to market valuations of the trading portfolio. On a q-o-q basis, Q2 2011 other operating income appears lower, mainly due to the international subsidiaries' contribution.

**Total recurring expenses**, excluding transformation costs and provisions, **decreased by over 8% compared to June 2010** and amounted to €256.8 million, following cost containment measures.

- **Staff expenses** decreased y-o-y by 10.4% to €170.6 million, reflecting the impact of the decrease in the group's headcount. On a q-o-q basis, staff costs presented a decrease of almost 4%.
- **Other recurring operating expenses**, including depreciation, decreased by 3.8% comparing to H1 2010, reflecting strict cost control initiatives and amounted to €86.3 million. On a q-o-q basis, other recurring operating expenses (€42 million) presented a decrease of 5%.
- **Transformation costs** amounted to €8 million, compared to €48.4 million in H1 2010, as a consequence of the high number of staff departures that took place at the end of June 2010.

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

- **Gross Operating Income: €113.1 million**, up by 183,3% compared to €39.9 million in June 2010, as a result of the improvement in trading results and mainly due to the tight control of operating expenses. On a q-o-q basis, gross operating income presented a decrease of over 20%, driven from the lag in Net Banking Income.

**Total Impairment Losses and Other provisions** for H1 2011 amounted to €498.4 million, excluding the €71.4 million depreciation of the Greek Government Bonds portfolio, and remained high as a result of the persistently challenging economic and market conditions, as well as the strict provisioning policy and the reinforcement of the coverage ratio of old loans portfolio. It is noted that H1 2011 Impairment and other provisions (excluding the Greek Government Bonds depreciation) decreased by 12% on a y-o-y basis positively affected by the significant improvements in the credit approval and collection processes.

## **2. Reference to the significant events that took place during the first six months of the accounting period and their impact on the Interim Financial Information.**

The following important events occurred during the first half of the current financial period:

- 17/01/2011: Mr. Minos Moissis assumed duties of General Manager of Retail Banking, Retail Branch Network, Business Development, Marketing & Corporate Communication of Emporiki Bank.
- 02/02/2011: Emporiki Bank Group successfully completed on February 1st, 2011 a bond loan securitization totaling €1,166 million, in accordance with the provisions of Law 3156/2003. The notes were issued through "Lemnos PLC" a special purpose vehicle, incorporated in the UK. CACIB and Deutsche Bank have been appointed as Arrangers of the issue.
- 11/01/2011: Announcement of the financial results for the Fiscal Year 2010 on Friday, February 11, 2011, after business close on the Athens Stock Exchange (time 17:30).
- 14/02/2011: Appointment of Mr. Christophe NOËL, son of Gonzague as new Member of the Board of Directors of the Bank. Resignation of Mr. Luc DEMAZURE, son of Guy from the position of non-executive Member of the Board of Directors of the Bank.
- 11/02/2011: Publicize of Emporiki Bank's Code of Corporate Governance
- 15/02/2011: Appointment of Mr. George Koutsoudakis as General Manager of Enterprises, Investment and Private Banking General Division.
- 04/04/2011: Invitation to the Annual Ordinary General Assembly of the Bank's Shareholders on Friday, May 6, 2011 at 14.00 p.m.
- 06/05/2011: Announcement of the financial results for the First Quarter 2011 on Friday, May 6th, 2011 after business close on the Athens Stock Exchange.
- 06/05/2011: Publicize of Emporiki Bank's Updated Code of Corporate Governance

- 09/05/2011: Appointment of Mr. Guy – Marie – Michel PROFFIT, son of Marcel as new Member of the Board of Directors of the Bank.
- 09/05/2011: New composition of the Bank’s Audit Committee:
  - Chairman: Mr. Christophe NOËL, son of Gonzague, Non-Executive BoD Member.
  - Members: Mrs. Emmanuelle YANNAKIS, daughter of Emmanuel, Non-Executive BoD Member, and Mr. Konstantin PAPADIAMANTIS, son of Pyrros, Independent Non-Executive BoD Member.
- 09/05/2011: Publication of the Resolutions of the Annual Ordinary General Assembly of Shareholders held on May 6, 2011.
- 24/05/2011: Announcement of Voluntary Tender Public Offer from Crédit Agricole S.A. to the Shareholders of Emporiki Bank.
- 02/06/2011: Transaction completion announcement regarding transfer of “GROUPAMA PHOENIX S.A.” shares (formerly “PHOENIX METROLIFE EMPORIKI S.A.”) by way of price reduction.
- 09/06/2011: According to the information Emporiki Bank received, pursuant to the provisions of L.3556/2007, by its shareholders “Credit Agricole S.A.” and “Sacam International SAS”, pursuant to an agreement dated 23.05.2011 between “Credit Agricole S.A.” and “Sacam International SAS”, “Sacam International SAS” is “acting in concert” with “Credit Agricole S.A.” pursuant to article 2(e) of Law 3461/2006 for the purposes of the voluntary Tender Offer announced by “Credit Agricole S.A.” for the acquisition of all remaining shares of the company “Emporiki Bank of Greece S.A.” not held directly by “Credit Agricole S.A.” and “Sacam International SAS” on 23.05.2011.
- 23/06/2011: Presentation of Emporiki Bank’s initiative for the promotion of the Greek entrepreneurship titled “THIS IS GREECE”.

### **3. Description of the main risks and uncertainties for the second semester of the financial year.**

While the financial stability on a global scale, over the past months has been reinforced through improved macroeconomic and financial conditions, it remains vulnerable to intensified sovereign and banking risks in the euro area. As addressed in the latest ECB Financial Stability Report (June 2011) the main risks of the euro area financial stability outlook relate to the evolution of public finances and their interaction with the financial sector, the banks’ funding conditions, the downward trends in commercial and residential property prices and market developments affecting banks’ profitability.

The prospects regarding domestic economic performance remain subject to increased uncertainty, as a result of the deeper than initially anticipated recession, rising unemployment and the sovereign debt crisis. Specifically, according to the latest IMF projections, real GDP for 2011 has been revised downwards, projected to contract by 3,8%, driven by the decline in domestic demand while is expected to turn positive during 2012. Labor market conditions deteriorated further and the unemployment rate surged to 12,5% in 2010 while is expected to continue rising in 2011 and peak in 2012 marginally above the levels of 16%.

At a national level, the series of additional fiscal measures and structural reforms have been specified in order to achieve medium term targets, to stabilize to economy, to improve competitiveness and to safeguard the stability of the banking system. At the EU level, a new bailout of €109 billion has been agreed to address the sovereign debt crisis and prevent its potential contagion effects.

In the current adverse economic conjuncture the domestic banking system faces increased risks and uncertainties. The quality of credit portfolio has significantly deteriorated, as indicated by the increased delinquency rates and the weak efficiency of the loan recovery process. The debt-servicing capacity of households has been constrained due to the decline in their disposable income and the reduced employment opportunities. Similarly, the adverse economic developments have significantly affected the financial position of businesses and professionals. Furthermore, liquidity risk remained an issue of prime concern for the domestic banking system, given the limited access to wholesale funding markets and the increased deposits withdrawals which resulted in growing liquidity support from the European Central Bank.

Emporiki Group faces the above challenges in the context of a global framework Group Risk Strategy, with the solid support of its major shareholder Credit Agricole Group in terms of liquidity and capital adequacy. The results of the EBA EU-wide stress test exercise 2011 confirmed the capital adequacy of Credit Agricole Group and testified the robustness and efficiency of its business model.

In the context of its updated Restructuring and Development Plan, Emporiki Bank has achieved significant progress in reinforcing its Internal Control and Risk Management System. Continuing actions in this direction will be sustained, on the basis of the strategic priorities defined by the Management of the Bank for 2011. Operating in this complex and highly uncertain economic environment Emporiki Bank, with the strength of Credit Agricole, is able and willing to actively support Greek households, professionals and businesses, providing them with substantial liquidity and offering them solid alternatives with customized banking products and services.

#### **4. Intragroup transactions with related parties.**

Based on the existing regulatory framework we must include any transaction between the Bank and all the related parties as defined in IAS 24, which took place during the fiscal year and substantially affected the Bank's financial performance. Management's total compensation, receivables and payables must be reported separately. All related party transactions with the Bank and the Group companies and between the Bank and the parent group companies are conducted within usual business practice at arm's length and are approved by the authorized Bank members.

### Transactions and balances with Board of Directors members and Executive Committee members

amounts in thousands €

	01/01-30/6/2011	01/01-30/6/2010
Board of Directors and Executive Committee fees *	2.418	2.329

	30/6/2011	31/12/2010
Deposits	2.197	2.162
Loans	1.189	1.207
	<b>3.386</b>	<b>3.369</b>

\* The fees of the non-executive members of the Board of Directors of the Bank were € 96 thousands for the 1st semester 2011 and € 107 thousands for the 1st semester 2010 respectively.

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

### Emporiki Bank's intragroup transactions with affiliated companies

amounts in thousands €

Associates	Participation Percentage	Assets	Liabilities	Revenues	Expenses
EULER HERMES EMPORIKI A.A.E.	21,71%	967	-	29	48
<b>Total Intragroup transactions with associates</b>		<b>967</b>	<b>-</b>	<b>29</b>	<b>48</b>

Subsidiaries	Participation Percentage	Assets	Liabilities	Revenues	Expenses
Emporiki Bank - Romania S.A.	99,71%	11.825	534	1.601	276
Emporiki Bank - Bulgaria A.D.	100,00%	9.020	3.138	1.640	349
Emporiki Bank - Albania S.A.	100,00%	11.167	39.608	1.254	110
Emporiki Bank - Cyprus L.T.D.	98,51%	105.463	192.699	2.231	480
Emporiki Development & Real Estate Management	100,00%	16	50.704	107	290
Emporiki Management S.A.	100,00%	22	2.636	42	99
E.V.C. Developed	100,00%	-	-	-	-
E.V.C. Emerging	100,00%	-	-	-	-
Emporiki Group Finance P.L.C.	100,00%	-	4.135.024	-	45.470
<b>Total Intragroup transactions with subsidiaries</b>		<b>137.512</b>	<b>4.424.343</b>	<b>6.875</b>	<b>47.074</b>

### Emporiki Bank's intragroup transactions with parent company group

	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Expenses</b>
Credit Agricole S.A.	3.113.184	8.636.917	28.483	55.044
C.A Egypt S.A.E.	-	31.920	-	1
Credit Agricole CIB France	22.442	105.494	19.027	54.973
CA Private Bank Suisse	-	-	36	-
Credicom Consumer Finance Bank S.A.	301.812	17.270	6.092	211
Emporiki Credicom Insurance Brokers S.A.	-	909	-	-
Emporiki Rent L.T. Leasing of Vehicles S.A.	63	14.114	-	210
Emporiki Leasing S.A.	19.968	5.702	345	10
Amundi Hellas MFMC S.A.	632	5.812	1.595	67
Credit Agricole Life	3.348	5.287	11.650	24
<b>Total Intragroup transactions with parent group companies</b>	<b>3.461.449</b>	<b>8.823.426</b>	<b>67.227</b>	<b>110.540</b>
<b>Total Intragroup transactions</b>	<b>3.599.929</b>	<b>13.247.769</b>	<b>74.131</b>	<b>157.662</b>

#### 5. Estimations for the development of the operations for the second half of the financial year.

Emporiki Bank remains steadfast on implementing the Action Plan for Reconstruction and Development of the Bank for the period 2009 – 2013 adjusting to new conditions constantly arising. The actions already carried out, those that are ongoing over this period and those that will follow during the developing phase contribute to streamline the Bank to improve its functioning, drive up its productivity, increase its labor efficiency and establish solid foundations for the future course of development.

In the field of economy, as evidenced so far by the macroeconomic indicators, the financial situation in the country, and hence the market situation, worsen. Both GDP development and disposable income have already been revised for the worse, whereas there continue to be liquidity issues in the market. All the above negatively affect the financing costs as well as the cost of risk in the banking system and, of course, in Emporiki Bank despite CAsa's unstinting assistance in providing funds.

Within this framework and in addition to the measures already taken to ensure the restructuring of the Bank and that will continue to provide, as mentioned above, positive results, Emporiki Bank will continue, as it has been doing so far, to carefully adjust its operations according to the environment conditions, in order to achieve break-even between the operating income and expenditure as soon as possible.

Regarding the results of the Bank later this year, they will be influenced by the ongoing slowdown of business and the further increase in funding costs due to the stronger competition for the attraction of deposits in the Greek banking system in conditions of poor market liquidity and reduction of households' disposable income. Furthermore, the cost of risk of the Bank, mainly related to the old loan portfolio, and which had started to decline at the end of 2010, is expected to be reduced in 2011 compared to 2010, however remaining at higher levels than those expected until recently.

Emporiki Bank will continue, in adverse conditions with the full support of Crédit Agricole S.A., to execute the activities of its Business Plan providing liquidity to the market as well as products and services of high added value tailored to real needs of businesses, professionals and individuals.

**III. Condensed Interim Consolidated Financial Information for the six months, ended 30 June 2011 and Report on Review of Consolidated Interim Financial Information.**



**Emporiki Bank**

CRÉDIT AGRICOLE GROUP

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION**

**AS AT 30-06-2011**

**In accordance with International Accounting Standard 34**

**ATHENS, 29 July 2011**

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## **Report on Review of Interim Financial Information**

**To the Shareholders of Emporiki Bank of Greece S.A.  
Reg. No. 6064/06/B/86/03**

### **Introduction**

We have reviewed the accompanying condensed consolidated statement of financial position of Emporiki Bank of Greece S.A. (the “Bank”) and its subsidiaries (the “Group”) as of 30 June 2011 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Without qualifying our conclusion, we draw attention to the following:



- 1) Note 3.7 of the condensed consolidated interim financial information, which describes the change of valuation method applied by Emporiki Bank as at 30.06.11 on the Greek Government Bonds classified as Available for Sale. Following the announcement of the IIF Financing Offer, that is supported by the Bank, and based on the Bank's assessment that the limited number of transactions of Greek Government Bonds in the secondary market cannot be used as a basis to measure fair value as at 30.06.11, the Bank has concluded that the valuation method based on the principles set out in the IIF Financing Offer is more relevant and appropriate. As a result of this change in the valuation method and in view of objective evidence of impairment as at 30.6.2011 with respect to Greek Government Bonds maturing before 2020, an impairment charge of Euro 71 million was recycled from the Available for Sale reserve to the profit and loss account. However, given the high level of judgment surrounding the valuation model and the lack of appropriate and relevant observable market data, the impairment amount derived from the valuation model could be significantly different had a market value existed.
  
- 2) Note 25 of the condensed consolidated interim financial information, which refers to matters related to the adoption of L.3371/2005 (Social Security Regulation of Banking Institutions) by the Bank.

#### **Reference to Other Legal and Regulatory Requirements**

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 29 July 2011

The Certified Auditor - Accountant



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

Dimitris Sourbis  
SOEL Reg. No. 16891

## Condensed Interim Consolidated Statement of Comprehensive Income

	Σημ.	01/01 - 30/06/2011	01/01 - 30/06/2010	01/04 - 30/06/2011	01/04 - 30/06/2010
Interest & similar income		509.383	449.592	258.496	227.152
Interest expense & similar charges		(196.654)	(134.369)	(106.253)	(66.315)
<b>Net interest income</b>	<b>5</b>	<b>312.729</b>	<b>315.223</b>	<b>152.243</b>	<b>160.837</b>
Fee & commission income		68.025	68.473	32.093	34.224
Fee & commission expense		(9.268)	(9.432)	(4.683)	(4.761)
<b>Net fee &amp; commission income</b>	<b>6</b>	<b>58.757</b>	<b>59.041</b>	<b>27.410</b>	<b>29.463</b>
Dividend income		11	4	9	2
Net trading results	7	2.084	(8.912)	53	(13.291)
Gains less losses from investment securities	8	(483)	(2.308)	(180)	83
Other operating income		4.841	5.321	1.812	2.541
<b>Net operating income</b>		<b>377.939</b>	<b>368.369</b>	<b>181.347</b>	<b>179.635</b>
Staff costs	9	(177.550)	(235.701)	(89.369)	(138.398)
Depreciation & amortization		(11.879)	(13.098)	(5.455)	(6.253)
Impairment losses on loans and advances	16	(478.126)	(564.419)	(262.820)	(315.148)
Other provisions		(20.230)	(2.582)	(14.264)	(2.406)
Impairment of AFS GGB's Portfolio		(71.446)	-	(71.446)	-
Other operating expenses	10	(75.381)	(79.635)	(37.295)	(39.515)
<b>Total operating expenses</b>		<b>(834.612)</b>	<b>(895.435)</b>	<b>(480.649)</b>	<b>(501.720)</b>
Share of (loss) / profit of associates		(68)	(142)	(69)	(69)
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>		<b>(456.741)</b>	<b>(527.208)</b>	<b>(299.371)</b>	<b>(322.154)</b>
Income tax expense	11	(154.339)	(8.034)	(151.564)	(3.785)
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>(611.080)</b>	<b>(535.242)</b>	<b>(450.935)</b>	<b>(325.939)</b>
Equity holders of the Bank		(610.626)	(535.133)	(451.077)	(325.837)
Non Controlling Interests		(454)	(109)	142	(102)
Net change in available-for-sale securities		145.164	(101.761)	140.576	(91.110)
Foreign exchange differences		(540)	(1.729)	(768)	(2.561)
<b>Other comprehensive income for the period net of tax</b>		<b>144.624</b>	<b>(103.490)</b>	<b>139.808</b>	<b>(93.671)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(466.456)</b>	<b>(638.732)</b>	<b>(311.127)</b>	<b>(419.610)</b>
- Equity holders of the Bank		(466.009)	(638.596)	(311.266)	(419.492)
- Non Controlling Interests		(447)	(136)	139	(118)
Basic earnings/(losses) per share (in Euro)	12	(1,1921)	(1,2853)	(0,8806)	(0,7826)

Notes on pages 9 to 31 form an integral part of these condensed interim consolidated financial information.

## Condensed Interim Consolidated Statement of Financial Position

	Note	30 <sup>th</sup> June 2011	31 <sup>st</sup> December 2010
<b>ASSETS</b>			
Cash and balances with Central Bank	13	951.813	1.014.563
Treasury bills		48.910	67.690
Due from other banks	14	3.727.878	2.397.786
Trading securities	15	2.104	49.373
Derivative financial instruments - assets		134.046	132.223
Loans and advances to customers	16	20.815.411	21.293.457
Available-for-sale securities	17	772.656	834.933
Held-to-maturity securities	18	41.859	47.828
Investments in non consolidated subsidiaries	19	993	1.411
Investments in associates	20	1.434	1.671
Intangible assets		20.439	17.156
Property, plant and equipment		264.314	264.274
Investment property		128.396	128.484
Deferred tax assets	28	137.510	285.250
Income tax advance		440	677
Other assets		280.173	240.192
<b>TOTAL ASSETS</b>		<b>27.328.376</b>	<b>26.776.968</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Due to other banks	21	10.107.652	8.666.647
Derivative financial instruments - liabilities		136.592	143.940
Due to customers	22	11.633.834	12.245.577
Debt securities in issue	23	2.966.766	2.892.583
Other borrowed funds	24	1.072.519	1.072.261
Due to State pension funds	25	257.767	343.855
Personnel leaving indemnities	26	17.455	3.989
Other provisions	27	196.775	187.892
Current income tax liabilities		456	833
Deferred tax liabilities	28	6.664	6.316
Other liabilities		155.692	269.889
<b>Total Liabilities</b>		<b>26.552.172</b>	<b>25.833.782</b>
<b>Equity</b>			
Share Capital	30	512.229	512.229
Cash advance for Share Capital increase		700.000	400.000
Share premium		1.122.942	1.123.476
Other reserves		598.804	454.186
Retained Earnings / (Losses)		(1.547.960)	(673.759)
Results for the period		(610.626)	(873.469)
		<b>775.389</b>	<b>942.663</b>
<b>Non Controlling Interests</b>		<b>815</b>	<b>523</b>
<b>Total Equity</b>		<b>776.204</b>	<b>943.186</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27.328.376</b>	<b>26.776.968</b>

Notes on pages 9 to 31 form an integral part of these condensed interim consolidated financial information.

## Condensed Interim Consolidated Statement of Changes in Equity

	Share capital	Cash advance for SCI	Share premium	Currency Translation differences	Other reserves	Retained Earnings/ (losses)	Total	Non-controlling interests	Total
<b>Balance as at 1 January 2010</b>	<b>1.577.665</b>	<b>600.000</b>	<b>360.906</b>	<b>(21.368)</b>	<b>587.252</b>	<b>(1.968.131)</b>	<b>1.136.324</b>	<b>2.194</b>	<b>1.138.518</b>
Profit for the period 01/01 -30/06/2010	-	-	-	-	-	(535.133)	(535.133)	(109)	(535.242)
Foreign exchange differences	-	-	-	(1.702)	-	-	(1.702)	(27)	(1.729)
Other comprehensive income :									
Net change in available-for-sale securities	-	-	-	-	(101.761)	-	(101.761)	-	(101.761)
<b>Total comprehensive income after tax:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.702)</b>	<b>(101.761)</b>	<b>(535.133)</b>	<b>(638.596)</b>	<b>(136)</b>	<b>(638.732)</b>
Appropriation of 2009	-	-	-	-	-	(38)	(38)	-	(38)
Share capital increase	225.380	(600.000)	762.606	-	-	-	387.986	-	387.986
Changes in subs. shareholding structure	-	-	-	3	1	(1.164)	(1.160)	(40)	(1.200)
Write-off of Losses carried forward	(1.290.816)	-	-	-	(3.591)	1.294.407	-	-	-
<b>Balance as at 30 June 2010</b>	<b>512.229</b>	<b>-</b>	<b>1.123.512</b>	<b>(23.067)</b>	<b>481.901</b>	<b>(1.210.059)</b>	<b>884.516</b>	<b>2.018</b>	<b>886.534</b>
<b>Balance as at 1 January 2011</b>	<b>512.229</b>	<b>400.000</b>	<b>1.123.476</b>	<b>(22.687)</b>	<b>476.874</b>	<b>(1.547.229)</b>	<b>942.663</b>	<b>523</b>	<b>943.186</b>
Profit for the period 01/01-30/06/2011	-	-	-	-	-	(610.626)	(610.626)	(454)	(611.080)
Foreign exchange differences	-	-	-	(547)	-	-	(547)	7	(540)
Other comprehensive income :									
Net change in available-for-sale securities	-	-	-	-	145.164	-	145.164	-	145.164
<b>Total comprehensive income after tax:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(547)</b>	<b>145.164</b>	<b>(610.626)</b>	<b>(466.009)</b>	<b>(447)</b>	<b>(466.456)</b>
Expenses for share capital increase	-	-	(534)	-	-	-	(534)	-	(534)
Cash advance for Share Capital increase	-	300.000	-	-	-	-	300.000	-	300.000
Changes in subs. shareholding structure	-	-	-	-	-	(731)	(731)	739	8
<b>Balance as at 30 June 2011</b>	<b>512.229</b>	<b>700.000</b>	<b>1.122.942</b>	<b>(23.234)</b>	<b>622.038</b>	<b>(2.158.586)</b>	<b>775.389</b>	<b>815</b>	<b>776.204</b>

Notes on pages 9 to 31 form an integral part of these condensed interim consolidated financial information.

**Condensed Interim Consolidated Statement of Cash Flows**

	<b>Period ended 30 June</b>	
	<b>2011</b>	<b>2010</b>
Profit / (loss) before tax	<b>(456.741)</b>	<b>(527.208)</b>
<b><u>Adjustment for reconciliation of period result to cash flows from operating activities</u></b>		
<b><u>Adjustments for non cash items included in profit and loss for the period</u></b>		
Impairment of investment portfolio	71.446	-
Profit from disposal of associate company	(93)	(91)
Depreciation and amortization	11.879	13.099
Provision for credit risks	478.383	565.155
Other provisions	20.230	2.582
Evaluation & accrued interests of derivative financial instruments	(9.170)	(53.489)
Accrued interests	16.911	(4.498)
Net (profit)/ loss from investment portfolio	576	2.399
Net (profit)/ loss from sale of fixed assets	(465)	(1.063)
Impairment of fixed assets	(192)	-
Share of (profit) / loss of associates	67	142
	<b>589.572</b>	<b>524.236</b>
<b><u>Net (increase)/ decrease of operating assets</u></b>		
Obligatory deposits to Bank of Greece	(12.296)	(71.792)
Due from other banks	(480.967)	(7.630)
Trading securities (less government bonds)	51.349	37.309
Loans and advances to customers (net of write-offs)	5.264	(474.370)
Other assets	(39.981)	101.275
	<b>(476.631)</b>	<b>(415.208)</b>
<b><u>Net increase/(decrease) operating liabilities</u></b>		
Due to other banks	1.426.905	1.205.199
Due to customers	(620.548)	(2.023.309)
Other liabilities	(123.888)	(196.493)
Personnel indemnities	(72.623)	19
	<b>609.846</b>	<b>(1.014.584)</b>
<b>Total cash flows from operating activities</b>	<b>266.046</b>	<b>(1.432.764)</b>
<b><u>Cash flows from investing activities</u></b>		
Changes in participations in non consolidated subsidiaries & adj.of associates´ equity	113	(284)
Net change in property, plant and equipment, intangible assets and investment property	(14.456)	(17.621)
Net change of held to maturity securities	5.969	(4.067)
Net change of available-for-sale investments	133.187	173.343
<b>Total cash flows from investing activities</b>	<b>124.813</b>	<b>151.371</b>
<b><u>Cash flows from financing activities</u></b>		
Share capital increase	-	387.627
Share capital increase advance	300.000	-
Repayment of mortgage backed securities	(15.285)	(23.359)
Repayment of debt securities in issue	(1.007.196)	(858.929)
Proceeds from the issue of debt securities	1.090.000	1.448.805
Proceeds from sale of own bonds	1.504	52.326
<b>Total cash flows from financing activities</b>	<b>369.023</b>	<b>1.006.470</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>759.882</b>	<b>(274.923)</b>
Cash and cash equivalents, at beginning of period (Note 31)	1.845.411	2.067.293
<b>Cash and cash equivalents, at end of period (Note 31)</b>	<b>2.605.293</b>	<b>1.792.370</b>

Notes on pages 9 to 31 form an integral part of these condensed interim consolidated financial information.

## Notes to the Condensed Interim Consolidated Financial Information

### 1. General Information

Emporiki Bank ("Emporiki Bank" or the "Bank") operates in all banking activities (retail, corporate) as well as in investment banking, asset management, portfolio management and in general financial services. The Bank's registered office is at 11 Sofokleous Str. and its registration number as "Societe Anonyme" is 6064/06/B/86/03. The Bank offers services in Greece through its network of 324 branches and abroad through its branch in London as well as through its subsidiaries in Cyprus, Bulgaria, Albania, and Romania.

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

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

The members of the Board of Directors, on 30<sup>th</sup> of June 2011 are as follows:

#### Executive members

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

#### Non-executive members

Nikolaos	Ebeoglou	Chairman
Bertrand	Badre	Member
Christophe	Noel	Member
Bruno	De Laage	Member
Yves	Nanquette	Member
Jean- Francois	Marchal	Member
Haralampos	David	Member
Jean - Yves	Hocher	Member
Emmanuelle	Yannakis	Member
Achilleus	Constantakopoulos	Member
Giampiero	Maioli	Member
Marc	Oppenheim	Member
Guy-Marie-Michel	Proffit	Member

#### Independent Non-executive members

Christoforos - Paul	Chatzopoulos	Member
Konstantinos	Papdiamantis	Member

The Board of Directors of the Bank approved these consolidated financial information on the 29<sup>th</sup> of July 2011.

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](http://www.credit-agricole.fr)

### 2. Basis of preparation

The principal accounting policies applied in the preparation of these condensed interim consolidated financial information are set out below.

This condensed interim financial information as at 30 June 2011 has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The condensed interim consolidated financial information are presented in Euro, the Group's functional currency, rounded to the nearest thousand unless otherwise indicated.

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

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs and are available in [www.emporiki.gr](http://www.emporiki.gr).

These condensed consolidated interim financial information 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, and on the “going concern” basis.

## 2.1 Summary of Significant Accounting policies

### a) Standards and Interpretations effective from periods beginning on or after 1 January 2011

- **IAS 24 (Amendment) “Related Party Disclosures” (effective for annual periods beginning on or after 1 January 2011)**

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This revision does not affect the Group’s financial statements.

- **IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 February 2010)**

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity’s own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not relevant to the Group.

- **IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (effective for annual periods beginning on or after 1 July 2010)**

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

- **IFRIC 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (effective for annual periods beginning on or after 1 January 2011)**

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

### b) Amendments to standards that form part of the IASB’s 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB’s annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group’s financial statements.

- **IFRS 3 “Business Combinations”**

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

- **IFRS 7 “Financial Instruments: Disclosures”**

The amendments include multiple clarifications related to the disclosure of financial instruments.

- **IAS 1 “Presentation of Financial Statements”**

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

- **IAS 27 “Consolidated and Separate Financial Statements”**

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

- **IAS 34 “Interim Financial Reporting”**

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

- **IFRIC 13 “Customer Loyalty Programmes”**

The amendment clarifies the meaning of the term ‘fair value’ in the context of measuring award credits under customer loyalty programmes.

**c) Standards and Interpretations effective from periods beginning on or after 1 January 2012**

- **IFRS 7 (Amendment) “Financial Instruments: Disclosures” – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)**

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

- **IAS 12 (Amendment) “Income Taxes” (effective for annual periods beginning on or after 1 January 2012)**

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 “Investment Property”. This amendment has not yet been endorsed by the EU.

- **IAS 1 (Amendment) “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 July 2012)**

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

- **IAS 19 (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 January 2013)**

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits. This amendment has not yet been endorsed by the EU.

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

IFRS 9 is the first Phase of the Board’s project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

- **IFRS 13 “Fair Value Measurement” (Effective for annual periods beginning on or after 1 January 2013)**

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

**d) Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)**

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

- **IFRS 10 “Consolidated Financial Statements”**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

- **IFRS 11 “Joint Arrangements”**

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

- **IFRS 12 “Disclosure of Interests in Other Entities”**

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

- **IAS 27 (Amendment) “Separate Financial Statements”**

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “*Consolidated and Separate Financial Statements*”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 “*Investments in Associates*” and IAS 31 “*Interests in Joint Ventures*” regarding separate financial statements.

- **IAS 28 (Amendment) “Investments in Associates and Joint Ventures”**

IAS 28 “*Investments in Associates and Joint Ventures*” replaces IAS 28 “*Investments in Associates*”. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

## 2.2 Critical Accounting Estimates and Judgements in Applying Accounting Policies

In preparing these condensed interim consolidated financial information, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those applied to the published annual consolidated financial statements for the year ended 31 December 2010.

## 3. Financial Risk Management

### 3.1 Financial Risk factors

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

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

Risk management apart from credit risk is maintained by the financial management division adapting to regulations and decisions that are approved by the Banks’ management and by the Asset Liability Committee (ALCO). Credit risk management is governed by the Credit Committee that defines the credit risk strategy and monitors its progress. Risk

Management defines, estimates and confronts all financial risks in cooperation with the departments that are involved with these risks. The Management gives instructions and guidelines for central risk management and special instructions for confronting special risks such as foreign exchange, interest and credit risk.

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

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

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

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

**3.2 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 30/06/2011 and 31/12/2010 to Bonds issued by Hellenic Republic.

	<b>Maximum Exposure</b>	
	<b>30/06/2011</b>	<b>31/12/2010</b>
Trading securities -Bonds issued by Hellenic Republic	2.099	49.368
Available for Sale Bonds issued by Hellenic Republic	275.085	202.770
<b>Total</b>	<b>277.184</b>	<b>252.138</b>

**3.3 Bonds issued by Hellenic Republic**

The table below presents an analysis of the Bonds issued by Hellenic Republic by rating agency designation at 30 June 2011, based on Moody’s rating

	<b>Treasury bills</b>	<b>Trading securities</b>	<b>Available-for-sale securities</b>
Ca	2.099	275.085	277.184
<b>Total</b>	<b>2.099</b>	<b>275.085</b>	<b>277.184</b>

**3.4 Market risk**

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

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

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

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

### **Value at Risk**

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

### **Stress tests**

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

#### **(a) Trading portfolio VaR by Risk Type**

	01/01- 30/06/2011		
	Average	High	Low
Foreign exchange risk	-	-	-
Interest rate risk	461,47	670,49	7,199
<b>Total VAR</b>	<b>461,47</b>	<b>670,49</b>	<b>7,199</b>

#### **(b) Non - Trading portfolio VaR by Risk Type**

The VaR for GGB included in AFS portfolio is calculated through Ascari of Credit Agricole Group tool and is amounted to € 96.866 thousands.

### **3.5 Liquidity risk**

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

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

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

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

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

The following table analyzes the Bonds issued by Hellenic Republic of the Group by remaining maturity as at the reporting date.

**30 June 2011**

	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non Defined maturity</b>	<b>Total</b>
<b>ASSETS</b>							
Trading securities -Bonds issued by Hellenic Republic	35	857	117	707	386	-	2.099
Available for Sale Bonds issued by Hellenic Republic	-	-	-	1.712	273.373	-	275.085
<b>Total</b>	<b>35</b>	<b>857</b>	<b>114</b>	<b>2.419</b>	<b>273.759</b>	<b>-</b>	<b>277.184</b>

**3.6 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.

**3.7 Fair Values of Financial Assets and Liabilities**

**Fair value hierarchy**

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

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

	30 June 2011				31 December 2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading securities -Bonds issued by Hellenic Republic	2.099	-	-	2.099	49.368	-	-	49.368
Available for Sale Bonds issued by Hellenic Republic	3.281	-	271.804	275.085	202.770	-	-	202.770
<b>Total</b>	<b>5.380</b>	<b>-</b>	<b>271.804</b>	<b>277.184</b>	<b>252.138</b>	<b>-</b>	<b>-</b>	<b>252.138</b>

The Group holds Greek Government Bonds classified in the available for sale portfolio with notional amount of €350m and fair value amounting to €197,5m at the end of June 2011. Greek Government Bonds with a notional amount of €340m and fair value amounting to €192,8m mature before 2020.

The Group has decided to participate in the IIF program.

Because there are extremely limited number of transactions of Greek Government Bonds in the secondary market these transactions cannot be used as a basis to measure fair value as at 30 June 2011. Then, the Group decided to change the fair value hierarchy of these Bonds from level 1 into level 3 and to consider that the valuation method based on the principles set out in the IIF Financing Offer published on the 21st of July is more relevant and appropriate.

The Group, based upon detailed analysis, recognized a revaluation gain of €76,1m related to available for sale Greek Government Bonds maturing before 2020 due to re-measurement at the 79% of their notional amount.

The Group also concluded that IIF offer is an evidence of impairment (representing 21% Net Present Value loss) and reclassified available for sale investment loss of €71,4m related to Greek Government Bonds maturing before 2020 due to impairment from other comprehensive income into the income statement.

## 4. Segment Reporting

### 4.1 Segment results of operations

<b>From 1/1 to 30/06/2011</b>	<b>Total</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking &amp; Treasury</b>	<b>Other</b>
Net interest income	312.729	147.421	77.874	91.631	(4.197)
Net commission income	58.757	45.507	15.643	4.379	(6.772)
Other income	6.453	3.790	-	64	2.599
<b>Net operating income</b>	<b>377.939</b>	<b>196.718</b>	<b>93.517</b>	<b>96.074</b>	<b>(8.370)</b>
Staff costs	(177.550)	(145.569)	(10.107)	(5.259)	(16.615)
Impairment on loans and advances	(478.126)	(388.462)	(89.664)	-	-
Other provisions	(20.230)	(20)	-	-	(20.210)
Impairment of AFS GGB's portfolio	(71.446)	-	-	(71.446)	-
Other operating expenses	(87.260)	(72.061)	(4.573)	(3.897)	(6.729)
<b>Net operating expenses</b>	<b>(834.612)</b>	<b>(606.112)</b>	<b>(104.344)</b>	<b>(80.602)</b>	<b>(43.554)</b>
Share of gain / (loss) of associates	(68)	-	-	(68)	-
<b>Profit / (loss) before tax</b>	<b>(456.741)</b>	<b>(409.394)</b>	<b>(10.827)</b>	<b>15.404</b>	<b>(51.924)</b>

<b>From 1/1 to 30/06/2010</b>	<b>Total</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking &amp; Treasury</b>	<b>Other</b>
Net interest income	315.223	172.979	58.606	89.175	(5.537)
Net commission income	59.041	45.843	18.012	2.409	(7.223)
Other income	(5.895)	656	-	(11.857)	5.306
<b>Net Operating Income</b>	<b>368.369</b>	<b>219.478</b>	<b>76.618</b>	<b>79.727</b>	<b>(7.454)</b>
Staff costs	(235.701)	(191.265)	(13.678)	(7.117)	(23.641)
Impairment on loans and advances	(564.419)	(514.120)	(50.299)	-	-
Other provisions	(2.582)	(114)	-	-	(2.468)
Other operating expenses	(92.733)	(76.527)	(5.198)	(4.042)	(6.966)
<b>Net Operating Expenses</b>	<b>(895.435)</b>	<b>(782.026)</b>	<b>(69.175)</b>	<b>(11.159)</b>	<b>(33.075)</b>
Share of gain / (loss) of associates	(142)	-	-	(142)	-
<b>Profit / (loss) before tax</b>	<b>(527.208)</b>	<b>(562.548)</b>	<b>7.443</b>	<b>68.426</b>	<b>(40.529)</b>

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

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

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

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

The allocation of interest income in various business segments is based on the Fund Transfer Pricing Model which has been developed by the Bank.

## 4.2 Geographical information

	2011		2010	
	Revenues	Non current Assets	Revenues	Non current Assets
Greece	383.436	385.398	357.545	384.374
Germany	-	-	(2.331)	-
Romania	7.949	9.298	6.144	8.953
Bulgaria	6.375	7.606	7.774	8.273
Albania	10.782	8.930	5.718	6.353
Cyprus	10.675	1.917	12.345	1.949
Great Britain	(41.279)	-	(18.826)	12
<b>Total</b>	<b>377.938</b>	<b>413.149</b>	<b>368.369</b>	<b>409.914</b>

	01/01- 30/06/2011	01/01- 30/06/2010	01/04- 30/06/2011	01/04- 30/06/2010
<b>5. Net Interest Income</b>				
<b>Interest and similar income</b>				
Cash and short-term funds	47.339	21.406	30.061	8.990
Bonds/ Treasury bills	81.766	63.916	41.532	31.252
Loans and advances	380.278	364.270	186.903	186.910
	<b>509.383</b>	<b>449.592</b>	<b>258.496</b>	<b>227.152</b>
<b>Interest expense &amp; similar charges</b>				
Banks and customers	(137.078)	(95.348)	(73.939)	(47.682)
Debt securities	(37.613)	(18.237)	(21.095)	(8.250)
Securities and repos	(108)	(140)	(21)	(64)
Due to pension funds	(4.476)	(5.867)	(2.234)	(2.933)
Other borrowing funds	(17.379)	(14.777)	(8.964)	(7.386)
	<b>(196.654)</b>	<b>(134.369)</b>	<b>(106.253)</b>	<b>(66.315)</b>
<b>Net interest income</b>	<b>312.729</b>	<b>315.223</b>	<b>152.243</b>	<b>160.837</b>
<b>6. Net Fee &amp; Commission Income</b>				
<b>Fee &amp; Commission income</b>				
Loans	23.606	23.765	8.824	10.584
Working capital	3.128	2.976	1.619	1.490
Letters of guarantee	9.510	7.960	4.543	3.875
Credit cards	6.963	8.102	3.808	4.294
Imports – Exports	2.363	2.374	1.220	1.204
Mutual Funds	1.896	2.268	1.091	1.363
Other commissions	20.559	21.028	10.988	11.414
	<b>68.025</b>	<b>68.473</b>	<b>32.093</b>	<b>34.224</b>
<b>Fees &amp; Commission expense</b>				
Credit card commissions	(1.628)	(1.735)	(924)	(915)
Guarantees received from Credit Institutions	(6.770)	(7.223)	(3.362)	(3.701)
Other	(870)	(474)	(397)	(145)
	<b>(9.268)</b>	<b>(9.432)</b>	<b>(4.683)</b>	<b>(4.761)</b>
<b>Net fee &amp; commission income</b>	<b>58.757</b>	<b>(59.041)</b>	<b>(27.410)</b>	<b>29.463</b>

<b>7. Net Trading Results</b>	<b>01/01- 30/06/2011</b>	<b>01/01- 30/06/2010</b>	<b>01/04- 30/06/2011</b>	<b>01/04- 30/06/2010</b>
Net profit from transactions and foreign exchange valuation	1.773	8.881	1.322	5.389
Net profit / (loss) from sale and valuation of bonds	897	(17.836)	(378)	(15.860)
Net profit / (loss) from sale and valuation of shares and other variable yield securities	-	(4)	-	(3)
Net profit / (loss) from sale and valuation of derivatives	(586)	47	(891)	(2.817)
<b>Total net trading results</b>	<b>2.084</b>	<b>(8.912)</b>	<b>53</b>	<b>(13.291)</b>

<b>8. Gains less Losses from Investment Securities</b>	<b>01/01- 30/06/2011</b>	<b>01/01- 30/06/2010</b>	<b>01/04- 30/06/2011</b>	<b>01/04- 30/06/2010</b>
Impairment of shares and other variable yield securities	-	(2.504)	-	-
Net profit / (loss) from sale and valuation of mutual funds	11	105	11	38
Net profit / (loss) from sale of participations	93	91	47	45
Impairment of participations	(587)	-	(238)	-
<b>Total gain less losses investment portfolio</b>	<b>(483)</b>	<b>(2.308)</b>	<b>(180)</b>	<b>83</b>

<b>9. Staff Costs</b>	<b>01/01- 30/06/2011</b>	<b>01/01- 30/06/2010</b>	<b>01/04- 30/06/2011</b>	<b>01/04- 30/06/2010</b>
Salaries and wages	(124.778)	(137.370)	(60.372)	(68.310)
Social security cost (principal and auxiliary)	(37.782)	(41.489)	(18.945)	(20.574)
Other benefits	(14.990)	(56.842)	(10.052)	(49.514)
<b>Total staff costs</b>	<b>(177.550)</b>	<b>(235.701)</b>	<b>(89.369)</b>	<b>(138.398)</b>

Total personnel of the Group as at 30<sup>th</sup> June 2011 were 5.643 compared to 5.834 as at 30<sup>th</sup> June 2010.

<b>10. Other Operating Expenses</b>	<b>01/01- 30/06/2011</b>	<b>01/01- 30/06/2010</b>	<b>01/04- 30/06/2011</b>	<b>01/04- 30/06/2010</b>
Fees and third party expenses	(8.080)	(9.914)	(3.177)	(4.868)
Third parties fees	(21.185)	(24.792)	(9.958)	(12.251)
Insurance fees	(1.222)	(1.511)	(670)	(826)
Taxes and duties	(8.622)	(8.411)	(4.487)	(3.783)
Other expenses	(36.272)	(35.007)	(19.003)	(17.787)
<b>Total other operating expenses</b>	<b>(75.381)</b>	<b>(79.635)</b>	<b>(37.295)</b>	<b>(39.515)</b>

<b>11. Income Tax</b>	<b>01/01- 30/06/2011</b>	<b>01/01- 30/06/2010</b>	<b>01/04- 30/06/2011</b>	<b>01/04- 30/06/2010</b>
Tax for the period	(6.545)	(7.410)	(3.691)	(3.499)
Deferred taxation (Note 28)	<u>(147.794)</u>	<u>(624)</u>	<u>(147.872)</u>	<u>(286)</u>
<b>Total income tax</b>	<b><u>(154.339)</u></b>	<b><u>(8.034)</u></b>	<b><u>(151.563)</u></b>	<b><u>(3.785)</u></b>

<b>12. Earnings per Share</b>	<b>01/01- 30/06/2011</b>	<b>01/01- 30/06/2010</b>	<b>01/04- 30/06/2011</b>	<b>01/04- 30/06/2010</b>
Attributable profits / (losses) to the Bank shareholders	(610.626)	(535.133)	(451.077)	(325.837)
Average number of shares (excluding own shares)	<u>512.228.885</u>	<u>416.348.694</u>	<u>512.228.885</u>	<u>416.348.694</u>
<b>Basic and diluted Earnings / (Losses) per share (in €)</b>	<b><u>(1,1921)</u></b>	<b><u>(1,2853)</u></b>	<b><u>(0,8806)</u></b>	<b><u>(0,7826)</u></b>

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 all the effects of dilutive potential ordinary shares. There were no outstanding dilutive ordinary shares during the period is presented in these financial statements.

<b>13. Cash and Balances with Central Banks</b>	<b>30/06/2011</b>	<b>31/12/2010</b>
Cash	267.831	223.483
Deposits at Central Bank excluding obligatory deposits for liquidity purposes	1.518	115.260
Cheques receivables – Central Bank clearing office	<u>2.555</u>	<u>8.072</u>
<b>Included as cash and cash equivalents (Note 31)</b>	<b>271.904</b>	<b>346.815</b>
Obligatory deposits at Central Banks	679.496	667.164
Accrued Interest	<u>413</u>	<u>584</u>
<b>Total cash and balances with Central Bank</b>	<b><u>951.813</u></b>	<b><u>1.014.563</u></b>

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

<b>14. Due from Other Banks</b>	<b>30/06/2011</b>	<b>31/12/2010</b>
Cheques receivable	6.372	6.485
On demand	308.966	115.996
Placements in other banks	1.962.787	1.280.217
Other amounts due	<u>13.230</u>	<u>41.165</u>
<b>Included as cash and cash equivalents (Note 31)</b>	<b>2.291.355</b>	<b>1.443.863</b>
Placements in other banks not included in cash and cash equivalents	1.424.673	951.308
Loans and borrowings in other banks	<u>11.850</u>	<u>2.615</u>
<b>Total due from other banks</b>	<b><u>3.727.878</u></b>	<b><u>2.397.786</u></b>

## 15. Trading Securities

	<u>30/06/2011</u>	<u>31/12/2010</u>
Hellenic Republic bonds not included in cash and cash equivalents	1.284	49.368
Hellenic Republic bonds included in cash and cash equivalents	815	-
Listed shares	5	5
<b>Total trading securities</b>	<b><u>2.104</u></b>	<b><u>49.373</u></b>

## 16. Loans and Advances to Customers

	<u>30/06/2011</u>	<u>31/12/2010</u>
<b>Loans to individuals</b>		
Credit cards	463.210	462.331
Term loans	1.914.449	1.944.583
Mortgage loans	<u>7.889.005</u>	<u>7.972.931</u>
	<b>10.266.664</b>	<b>10.379.845</b>
<b>Loans to corporate entities</b>		
Large corporate customers	7.934.795	7.735.559
Small and medium size enterprises	4.957.539	5.072.901
Freelances (Easy Business)	<u>626.493</u>	<u>642.954</u>
	<b>13.518.827</b>	<b>13.451.414</b>
Other advances	249.841	219.637
Accrued Interest	<u>60.971</u>	<u>53.693</u>
<b>Total loans and advances to customers</b>	<b><u>24.096.303</u></b>	<b><u>24.104.589</u></b>
Less: Impairment losses on loans and advances	3.280.892	2.811.132
	<u>20.815.411</u>	<u>21.293.457</u>
Floating interest rate	22.298.407	21.788.962
Fixed interest rate	<u>1.736.925</u>	<u>2.261.934</u>
<b>Total loans and advances to customers</b>	<b><u>24.035.332</u></b>	<b><u>24.050.896</u></b>

## Impairment losses on loans and advances

	<u>30/06/2011</u>	<u>31/12/2010</u>
<b>Balance at 1 January</b>	<b>2.811.132</b>	<b>1.822.324</b>
Transfer to “Other Provisions”	107	(14.300)
Transfer to AFS Portfolio	-	(6.149)
Unwinding (realisation of impairment loss) and write-offs	(8.730)	(17.752)
Impairment provision for loans and advances (before recoveries)	<u>478.383</u>	<u>1.027.009</u>
<b>Balance at 30 June / December</b>	<b><u>3.280.892</u></b>	<b><u>2.811.132</u></b>

The impairment losses on loans and advances of the current period, that appear in the income statement, includes proceeds from written-off receivables amount to € 257 thousands (€ 736 thousands for the period 01/01-30/06/2010).

### 17. Available-for-Sale Securities

	<u>30/06/2011</u>	<u>31/12/2010</u>
Treasury bills	26.160	20.424
Bonds issued by Hellenic Republic	275.085	202.770
Bonds from other issuers	449.873	590.129
Listed shares	1.570	719
Non listed shares	9.063	9.300
Mutual funds	10.905	11.591
<b>Total available-for-sale securities</b>	<b><u>772.656</u></b>	<b><u>834.933</u></b>

In accordance with the amendment of IAS 39 “Reclassification of Financial Assets”, the Bank has reclassified during 2008 corporate bonds amounted to € 102 mil. from the Trading portfolio into the Available-for-Sale portfolio. At 30 June 2011 the nominal and the fair value of these bonds was € 34 mil. and € 23 mil. respectively.

The loss from the revaluation difference recognized directly in equity for the a’ semester of 2011, amounted to € 79 thousands.

### 18. Held-to-Maturity Securities

	<u>30/06/2011</u>	<u>31/12/2010</u>
Hellenic Republic Treasury Bills	15.000	14.747
Other issuers bonds	26.859	33.081
<b>Total held-to-maturity securities</b>	<b><u>41.859</u></b>	<b><u>47.828</u></b>

### 19. Participation in Subsidiaries

The following subsidiaries were consolidated using the full consolidation method:

Company	Country of incorporation	Direct & indirect % participation as at	
		30/06/2011	31/12/2010
1 EMPORIKI BANK-BULGARIA A.D.	BULGARIA	100,00	100,00
2 EMPORIKI BANK-ALBANIA S.A.	ALBANIA	100,00	100,00
3 EMPORIKI BANK CYPRUS LTD	CYPRUS	98,51	96,57
4 EMPORIKI VENTURE CAPITAL DEVELOPED MARKETS LTD	CYPRUS	100,00	100,00
5 EMPORIKI VENTURE CAPITAL EMERGING MARKETS LTD	CYPRUS	100,00	100,00
6 EMPORIKI GROUP FINANCE P.L.C.	U.K.	100,00	100,00
7 EMPORIKI MANAGEMENT	GREECE	100,00	100,00
8 EMPORIKI BANK-ROMANIA S.A.	ROMANIA	99,71	99,62
9 EMPORIKI DEVELOPMENT & REAL ESTATE MANAGEMENT	GREECE	100,00	100,00

On 01.11.2010 the Extraordinary General Meeting «EMPORIKI BANK ROMANIA S.A.», approved the share capital decrease by the amount of partially written off accumulated accounting losses amounting to RON 124 mil. The share capital decrease was completed on 28.01.2011. The Bank, on 24.03.2011 covered by 100% the share capital increase of the aforementioned subsidiary by disbursing the amount of RON 61,9 mil. The Group participation after the share capital increase amounted to 99,71%.

In the first semester of 2011 «EMPORIKI BANK – CYPRUS LTD» completed 3 successive share capital increases. The first share capital increase, which amounted to € 25 mil. in total, took place on 31.01.2011 and was fully covered by both the subsidiaries «EMPORIKI VENTURE CAPITAL DEVELOPED MARKETS LTD» and «EMPORIKI VENTURE CAPITAL EMERGING MARKETS LTD» by disbursing the amount of € 12,5 mil. each. The second one, which took place on 23.05.2011, amounted to € 8 mil. in total and was also fully covered by both the aforementioned subsidiaries by disbursing the amount of € 4 mil. each. On 16.06.2011, the third share capital increase, which amounted to € 32 mil, was completed and fully covered by the Bank. As a result of the above, the participation rate of Emporiki Group in «EMPORIKI BANK CYPRUS - LTD» was increased by 1,94% .

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

- | <b>Company</b>   |
|--|
| 1 EMPORIKI MEDIA LTD   |
| 2 BANKING DEVELOPMENT TRAINING AND RESEARCH CENTER               |
| 3 PRESERVILLE ENTERPRISES LTD                                    |
| 4 ORMISTONE HOLDINGS LTD   |
| 5 DICAPRIO   |
| 6 RESEARCH BANK OF HISTORICAL ARCHIVES (Non-profit organization) |
| 7 MR SNACK   |

## 20. Participation in Associates

The Bank, participates by 21,71% in the share capital of «EULER HERMES EMPORIKI», which is incorporated in Greece. There have been no changes in the participation in the first semester of 2011.

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

## 21. Due to Other Banks

	<u>30/06/2011</u>	<u>31/12/2010</u>
Borrowings from banks	10.084.878	8.640.808
Sight deposits	22.223	25.173
Other liabilities	551	666
<b>Total due to other banks</b>	<b><u>10.107.652</u></b>	<b><u>8.666.647</u></b>

## 22. Due to Customers

### Deposits from legal entities

	<u>30/06/2011</u>	<u>31/12/2010</u>
Sight accounts	1.031.384	1.157.172
Term deposits	941.865	672.503
	<b><u>1.973.249</u></b>	<b><u>1.829.675</u></b>

### Deposits from individuals

Current accounts	617.939	754.044
Term deposits	4.531.348	4.426.358
Saving accounts	4.358.379	5.142.034
	<b><u>9.507.666</u></b>	<b><u>10.322.436</u></b>

Accrued interest	21.369	12.316
Cheques and remittances payable	131.550	81.150

<b>Total due to customers</b>	<b><u>11.633.834</u></b>	<b><u>12.245.577</u></b>
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Fixed interest rate	5.473.213	5.098.861
Floating interest rate	6.007.702	7.053.250
<b>Total deposits</b>	<b><u>11.480.915</u></b>	<b><u>12.152.111</u></b>

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

### 23. Debt Securities in Issue

	<u>30/06/2011</u>	<u>31/12/2010</u>
Debt securities	2.961.723	2.887.289
Other credit titles	73	73
Accrued interest	4.970	5.221
<b>Total debt securities in issue</b>	<b><u>2.966.766</u></b>	<b><u>2.892.583</u></b>

Until the 30<sup>th</sup> of June 2011 Emporiki Bank repaid, through the special purpose entity «Lithos Mortgage Financing Plc», € 15.285.174 mortgage backed securities.

As at 30 June 2011, the Bank owned debt securities issued by «Lithos Mortgage Financing Plc» and «Emporiki Group Finance Plc», with a total value of € 32.821.821.

In the first semester 2011, debt securities with a total value of € 750.000.000 were early repaid and debt securities with a total value of € 268.000.000 were matured.

In the 1<sup>st</sup> semester 2011, Emporiki Bank issued, through «Emporiki Group Finance Plc», debts of € 1.090.000.000.

	<u>Nominal Value in €</u>	<u>Start Date</u>	<u>Maturity Date</u>	<u>Interest</u>
1	250.000.000	16.02.2011	16.02.2016	3m Euribor +1,3 bps
2	100.000.000	16.02.2011	16.08.2013	3m Euribor +0,915 bps
3	15.000.000	28.02.2011	28.02.2013	4% p.a. fixed
4	50.000.000	16.03.2011	28.02.2013	4% p.a. fixed
5	200.000.000	25.03.2011	25.09.2018	3m Euribor + 153,5 bps
6	400.000.000	25.03.2011	25.09.2020	3m Euribor + 164,5 bps
7	30.000.000	08.03.2011	08.03.2021	3m Euribor +1,24 bps
8	35.000.000	18.04.2011	28.02.2013	4% p.a. fixed
9	<u>10.000.000</u>	25.05.2011	28.05.2012	3,1% p.a. fixed
<b>Total</b>	<b>1.090.000.000</b>			

Emporiki Bank successfully completed, on February 1<sup>st</sup>, 2011, a bond loan securitization totaling € 1.166 million, in accordance with the provisions of the law 3156/2003. The notes were issued through «Lemnos PLC» a special purpose vehicle, incorporated in the UK.

### 24. Other Borrowed Funds

	<u>30/06/2011</u>	<u>31/12/2010</u>
Subordinated notes	350.000	350.000
Subordinated notes due to the parent company	300.000	300.000
Hybrid securities due to the parent company	420.000	420.000
Accrued interest	2.519	2.261
<b>Total other borrowed funds</b>	<b><u>1.072.519</u></b>	<b><u>1.072.261</u></b>

## 25. Obligations to Pension Funds

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

Following the provisions of the new law 3371/2005, an economic study was performed by independent specialized actuaries, in order to determine the cost of including TEAPETE into the above-mentioned auxiliary funds (IKA-ETEAM and ETAT). This economic study was completed within the 1st quarter of 2006 and was approved by the relevant committee of the Ministry of Economy and Finance and it was ratified by law (L. 3455/2006). According to the study the Bank will pay to IKA-ETEAM and ETAT, for its pensioners a special contribution of €786,3 millions in total (upfront or within a period of 10 years bearing an interest rate of 3,53%). In addition, the Bank will be obliged to pay additional contributions compared to those defined by ETEAM regulations for its employees hired before 31/12/2004 through to retirement. The terms of the payment of the increased contributions were not defined by Law 3371/2005 but were established following a ministerial decision IKA Φ20203/19189/931/7.11.06. The Bank proceeds to the payment of the scheduled installments as these were defined in the economic study mentioned above. The outstanding balance of the liability as at 30.06.2011 was € 257,8 millions.

The Employee Union has litigated the aforementioned submission and has proceeded relevant legal actions. For one legal action, which was discussed in the First Instance Court of Athens, the ruling was issued, number 116/2008, and judged that the provisions of Law 3455/2006 are unconstitutional and the termination of employee contracts relating the Bank, the Employee Union and the TEAPETE is abusive. The Bank has proceeded legal action against the aforementioned court ruling which was discussed on 24.03.2009. During the aforementioned trial the Greek State has proceeded intervention in favor of the Bank. The Court of Appeal judgment number 4007/2009 (published 30.06.2009) rejected the Bank's appeal and validated the First Instance judgment. On December 2009, the Bank and the Greek State has appealed before the Supreme Court of Appeal. The Bank's appeal hearing was determined for 20.01.2011, postponed for 17.03.2011 and then adjourned for 20.10.2011. The economic impact of the judgment cannot be currently assessed.

It should be noted that the State Council (in plenary session), pursuant to a series of recent decisions (Nr. 2197-2203/2010) rejected the petitions of bank employees and unions against Presidential Decree 209/2006, issued pursuant to L.3371/2005, and admitted that the inclusion of bank employees in the ETAT (Single Fund for the Social Insurance of Bank Employees) is consistent with the Greek Constitution. The above-mentioned decisions constitute an important factor, which will most probably affect the outcome of the case before the Supreme Court of Appeal.

## 26. Personnel Leaving Indemnities

	<u>30/06/2011</u>	<u>31/12/2010</u>
Law 2112/20 employee claims	504	543
Defined benefit plans of foreign subsidiaries	16.951	3.446
<b>Total personnel leaving indemnities</b>	<b><u>17.455</u></b>	<b><u>3.989</u></b>

## 27. Other Provisions

	<u>30/06/2011</u>	<u>31/12/2010</u>
Provisions for tax issues	70.641	64.800
Provisions for non – used vacation leaves	216	145
Provisions for litigations	61.751	51.104
Provisions for suspense accounts & other receivable	49.527	50.306
Provisions for guarantees given	6.264	20.264
Other provisions	8.376	1.273
<b>Total other provisions</b>	<b><u>196.775</u></b>	<b><u>187.892</u></b>

The movement of other provisions is analyzed as follows :

	Tax	Non-taken Vacation leaves	Litigations	Suspense accounts and other receivables	Guarantees given	Other	Total
<b>Balance as at 1 January 2010</b>	<b>65.536</b>	<b>764</b>	<b>51.131</b>	<b>55.482</b>	<b>20.277</b>	<b>2.069</b>	<b>195.259</b>
Charge /release for the period	15.754	(23)	537	(5.052)	-	(990)	<b>10.226</b>
Transfers	-	(596)	-	14.300	-	-	<b>13.704</b>
Foreign exchange differences	(1)	-	-	-	-	8	<b>7</b>
Utilisation	(16.489)	-	(564)	(14.424)	(13)	186	<b>(31.304)</b>
<b>Balance as at 31 December 2010</b>	<b>64.800</b>	<b>145</b>	<b>51.104</b>	<b>50.306</b>	<b>20.264</b>	<b>1.273</b>	<b>187.892</b>
<b>Balance as at 1 January 2011</b>	<b>64.800</b>	<b>145</b>	<b>51.104</b>	<b>50.306</b>	<b>20.264</b>	<b>1.273</b>	<b>187.892</b>
Charge /release for the period	6.015	71	10.699	(300)	-	7.114	<b>23.599</b>
Foreign exchange differences	(6)	-	-	-	-	(11)	<b>(17)</b>
Utilization	(168)	-	(52)	(479)	(14.000)	-	<b>(14.699)</b>
<b>Balance as at 30 June 2011</b>	<b>70.641</b>	<b>216</b>	<b>61.751</b>	<b>49.527</b>	<b>6.264</b>	<b>8.376</b>	<b>196.775</b>

Pursuant to the Decision No. 3/347/12.07.2005 of the Board of Directors of the Hellenic Capital Market Commission, «EMPORIKI BANK OF GREECE S.A.» announces that, on the basis of the contract dated 2007 between the companies «EMPORIKI BANK OF GREECE S.A.», «CRÉDIT AGRICOLE S.A.» and «GROUPAMA INTERNATIONAL» regarding the transfer of «GROUPAMA PHOENIX S.A.» shares (formerly «PHOENIX METROLIFE EMPORIKI S.A.») from the first two above-mentioned to the third company, a return of EURO 14 million to «GROUPAMA S.A.» (formerly «GROUPAMA INTERNATIONAL») has been agreed between the parties by way of price reduction, thereby releasing Emporiki Bank from all its obligations as seller of the shares. This amount is fully covered by relevant provision in the financial reports of Emporiki Bank.

## 28. Deferred Tax Assets/ Liabilities

	<u>30/06/2011</u>	<u>31/12/2010</u>
<b>Deferred tax assets</b>		
Intangible assets write-off	2.236	2.481
Impairment of loans and receivables	619.237	532.478
Provision for the cost of transfer to ETEAM	58.541	66.424
Commissions recognition based on effective interest rates	2.652	2.835
Impairment of investments for companies under liquidation	5.600	5.600
Provision for staff expenses	6.886	7.061
Other provisions	17.669	14.343
Other temporary tax differences	690	669
	<b>713.511</b>	<b>631.891</b>
Reassessment of recoverability	(576.001)	(346.641)
	<b>137.510</b>	<b>285.250</b>
<b>Deferred tax liabilities</b>		
Buildings reduced depreciation rates	5.497	5.283
Other temporary tax differences	1.167	1.033
	<b>6.664</b>	<b>6.316</b>
<b>Net deferred tax assets</b>	<b>130.846</b>	<b>278.934</b>

The movement of the net deferred assets is as follows :

<b>At 1 January</b>	<b>278.934</b>	<b>279.230</b>
Statement of Comprehensive Income	(147.794)	(611)
Subsidiaries' disposal	-	(8)
Share Premium		
Share capital expenses write-off	(294)	323
<b>At 30 June / 31 December</b>	<b>130.846</b>	<b>278.934</b>

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

	<u>30/06/2011</u>	<u>31/12/2010</u>
<b>Deferred tax (income statement)</b>		
Intangible assets variation	49	(555)
Impairment of loans and receivables	86.759	196.606
Commission recognition based on real interest rates	(183)	(299)
Provision for staff expenses	(175)	(580)
Buildings reduced depreciation rates	(214)	(533)
Provision for the cost of transfer to ETEAM & ETAT	(7.883)	(15.229)
Other provisions	3.326	(3.881)
Other temporary tax differences	(114)	(317)
Subsidiary's Disposal	-	24
Reassessment of recoverability	(229.359)	(175.847)
<b>Total deferred tax</b>	<b>(147.794)</b>	<b>(611)</b>

The Management of the Bank, taking into consideration the current financial circumstances of the Bank and the effect of the market conditions, undertook provisioning policy by reducing the deferred tax asset in total by € 576 mil. (€ 229,3 mil for the first quarter 2011). For the same reason, deferred tax asset for tax losses carried has not been recognized.

## 29. Contingent Liabilities and Commitments

### a) Legal issues

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

### b) Tax issues

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

Company	Year
1 EMPORIKI BANK	2008
2 EMPORIKI BANK-BULGARIA A.D.	2008
3 EMPORIKI BANK-ALBANIA S.A.	2008
4 EMPORIKI BANK CYPRUS	2002
5 EMPORIKI VENTURE CAPITAL DEVELOPED MARKETS LTD	2006
6 EMPORIKI VENTURE CAPITAL EMERGING MARKETS LTD	2006
7 EMPORIKI GROUP FINANCE P.L.C.	2008
8 EMPORIKI MANAGEMENT	2009
9 EMPORIKI BANK-ROMANIA S.A.	2008
10 EMPORIKI DEVELOPMENT & REAL ESTATE MANAGEMENT	2004

### c) Commitments

	<u>30/06/2011</u>	<u>31/12/2010</u>
Letters of guarantee	1.877.694	1.956.340
Unused approved credit limits	<u>17.050.240</u>	<u>17.171.400</u>
	<u><b>18.927.934</b></u>	<u><b>19.127.740</b></u>

### d) Pledged assets

The nominal value of pledged assets as at 30 June 2011 amounts to € 953.746 thousands (€ 1.247.228 thousands as at 31 December 2010) including Hellenic Republic and other issuers bonds pledged by the Bank of Greece for the purposes of transactions through TARGET, by the derivatives clearing house (ETESEP) as margin insurance and pledged by foreign financial institutions for funding purposes.

Additionally, on 30 June 2011 loans with a total nominal value of € 483.550 thousands have been pledged by the Bank of Greece for funding purposes.

Finally, bonds with a nominal value of € 52.820 thousands are provided as collateral as part of repurchasing agreements (repos) with other credit institutions.

### 30. Share Capital

The share capital as at 30 June 2011 amounts to € 512.228.885 comprising by 512.228.885 ordinary shares of € 1,00 nominal value each . There are no changes comparing to share capital as at 31.12.2010.

In the fourth quarter of 2010, Credit Agricole as the main shareholder has granted a cash advance of € 400 million for a SCI in order to enhance the capital adequacy of Emporiki Bank.

In the first semester of 2011, Credit Agricole has granted a new cash advance of € 300 million for a SCI to enhance the capital adequacy of Emporiki Bank.

### 31. 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>30/06/2011</u>	<u>31/12/2010</u>
Cash and balances with Central Banks (Note 13)	271.904	346.815
Treasury bills	41.219	54.733
Due from banks (Note 14)	2.291.355	1.443.863
Trading Securities	815	-
<b>Total cash and cash equivalents</b>	<b><u>2.605.293</u></b>	<b><u>1.845.411</u></b>

### 32. Related Party Transactions

The major shareholders of the Bank as at 30 June 2011 are Credit Agricole SA and SACAM International with participating interest of 91% and 5% respectively, as also pension funds with participating interest of 0,45%. The remaining shares are widely held and traded on the Athens Stock Exchange.

#### Transactions and balances with Board of Directors members and Executive Committee members

<b>Board of Directors</b>	<u>01/01 - 30/06/2011</u>	<u>01/01 - 30/06/2010</u>
Board of Directors and Executive Committee fees *	2.418	2.329

	<u>30/06/2011</u>	<u>31/12/2010</u>
Deposits	2.197	2.162
Loans	1.189	1.207

\* The fees of the non-executive members of the Board of Directors of the Bank were € 96 thousands for the 6-month period 2011 and € 107 thousands for the 6-month period 2010 respectively.

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

**Transactions and balances with Credit Agricole Group (incl. the transactions of Emporiki Bank's subsidiaries)**

	<u>30/06/2011</u>	<u>31/12/2010</u>
<b>Assets</b>		
Due from other banks	3.552.778	2.970.307
Loans and advances to customers	19.853	23.048
Derivative Financial Instruments - Assets	22.047	43.297
Other assets	4.248	9.510
	<u>3.598.926</u>	<u>3.046.162</u>
<b>Liabilities</b>		
Due to banks	9.665.644	8.443.047
Due to customers	45.698	79.427
Derivative Financial Instruments - Liabilities	105.511	113.359
Debt securities in issue	2.819.441	2.728.330
Other borrowed funds	1.072.611	1.472.294
Other liabilities	7.081	6.592
	<u>13.715.986</u>	<u>12.843.049</u>

	<u>01/01- 30/06/2011</u>	<u>01/01- 30/06/2010</u>
<b>Income</b>		
Interest & similar income	46.264	19.182
Fee & commission income	6.814	5.380
Trading result	(36.197)	35.319
Other operating income	1.874	1.114
	<u>18.755</u>	<u>60.995</u>
<b>Expense</b>		
Interest expense & similar charges	99.346	47.905
Fee & commission expense	6.726	7.697
Staff expenses	261	401
Other operating expenses	1.372	5.101
	<u>107.705</u>	<u>61.105</u>

**The related party transactions and balances are summarized as follows :**

	<u>01/01- 30/06/2011</u>	<u>01/01- 30/06/2010</u>
Income	18.755	60.995
Expense	107.705	61.105
Fees for Board of Directors members and key management personnel	2.418	2.329
	<u>30/06/2011</u>	<u>31/12/2010</u>
Assets	3.598.926	3.046.162
Liabilities	13.715.986	12.843.049
Receivables from BoD members and key management personnel	1.189	1.207
Liabilities to Board of Directors members and key management personnel	2.197	2.162

### 33. Capital Adequacy

The solvency ratio of the Group is calculated in accordance with Law 3601/2007 and BOG decisions 2630/29.10.2010 “Definition of equity for credit institutions in Greece” and 2588/20.08.2007 “Solvency ratio for credit institutions”.

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

#### Weighted Assets

Weighted Assets on credit risks	16,62
Weighted Assets on market risks	0,08
Weighted Assets on operational risks	<u>1,31</u>
<b>Total Risk Weighted Assets</b>	<b><u>18,01</u></b>

#### Regulatory Shareholder's Equity

Tier # 1 Capital	1,06
Tier # 2 Capital	0,68
Deductible amounts	<u>(0,001)</u>
<b>Total Regulatory Equity</b>	<b><u>1,74</u></b>

The CAD ratio at group level as at the 30<sup>th</sup> of June 2011 is estimated to be approx. 9,7 %. The calculation of the Capital Adequacy Ratio has taken into account the guarantee received by the parent company Credit Agricole S.A and the cash advance of € 700 mil.

**IV. Condensed Interim Financial Information for the six months, ended 30 June 2011 and Report on Review of Interim Financial Information.**



**Emporiki Bank**  
CRÉDIT AGRICOLE GROUP

**Condensed Interim Financial  
Information**

**as at 30-6-2011**

**In accordance with International Financial Reporting Standard 34**

**Athens, 29<sup>th</sup> July 2011**

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## Report on Review of Interim Financial Information

**To the Shareholders of Emporiki Bank of Greece S.A.  
Reg. No. 6064/06/B/86/03**

### Introduction

We have reviewed the accompanying condensed statement of financial position of Emporiki Bank of Greece S.A. (the “Bank”) as of 30 June 2011 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Without qualifying our conclusion, we draw attention to the following:

- 1) Note 3.7 of the condensed interim financial information which describes the change of valuation method applied by Emporiki Bank as at 30.06.11 on the Greek Government Bonds classified as Available for Sale. Following the announcement of the IIF Financing Offer, that is supported by the Bank, and based on the Bank's assessment that the limited number of transactions of Greek Government Bonds in the secondary market cannot be used as a basis to measure fair value as at 30.06.11, the Bank has concluded that the valuation method based on the principles set out in the IIF Financing Offer is more relevant and appropriate. As a result of this change in the valuation method and in view of objective evidence of impairment as at 30.6.2011 with respect to Greek Government Bonds maturing before 2020, an impairment charge of Euro 71 million was recycled from the Available for Sale reserve to the profit and loss account. However, given the high level of judgement surrounding the valuation model and the lack of appropriate and relevant observable market data, the impairment amount derived from the valuation model could be significantly different had a market value existed.



2) Note 24 of the condensed interim financial information, which refers to matters related to the adoption of L.3371/2005 (Social Security Regulation of Banking Institutions) by the Bank.

### **Reference to Other Legal and Regulatory Requirements**

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 29 July 2011

The Certified Auditor - Accountant



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**Condensed Interim Statement of Comprehensive Income**

	Note	1 January- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2011	1 April- 30 June 2010
Interest & similar income		472.689	411.751	245.204	209.293
Interest expense & similar charges		(186.801)	(122.288)	(103.614)	(61.042)
<b>NET INTEREST INCOME</b>	<b>5</b>	<b>285.888</b>	<b>289.463</b>	<b>141.590</b>	<b>148.251</b>
Fee & commission income		65.132	65.975	31.299	33.015
Fee & commission expense		(8.956)	(9.658)	(4.505)	(5.037)
<b>NET FEE &amp; COMMISSION INCOME</b>	<b>6</b>	<b>56.176</b>	<b>56.317</b>	<b>26.794</b>	<b>27.978</b>
Dividend income		3	3	1	1
Net trading results	7	532	(9.576)	(35)	(13.047)
Gains less losses from investment securities	8	4	(2.308)	(42)	83
Other operating income		2.656	3.241	1.206	1.551
<b>NET OPERATING INCOME</b>		<b>345.259</b>	<b>337.140</b>	<b>169.514</b>	<b>164.817</b>
Staff costs	9	(163.154)	(220.805)	(82.714)	(131.237)
Depreciation & amortization		(9.409)	(10.141)	(4.761)	(4.778)
Impairment losses on loans and advances	16	(439.339)	(548.620)	(256.290)	(307.750)
Other provisions		(20.145)	(2.141)	(14.245)	(2.137)
Impairment of GGBs AFS portfolio		(71.446)	-	(71.446)	-
Other operating expenses	10	(66.050)	(75.635)	(33.624)	(34.984)
<b>TOTAL OPERATING EXPENSES</b>		<b>(769.543)</b>	<b>(857.342)</b>	<b>(463.080)</b>	<b>(480.886)</b>
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>		<b>(424.284)</b>	<b>(520.202)</b>	<b>(293.566)</b>	<b>(316.069)</b>
Income tax expense	11	(153.706)	(6.991)	(150.854)	(3.724)
<b>PROFIT / (LOSS) AFTER INCOME TAX</b>		<b>(577.990)</b>	<b>(527.193)</b>	<b>(444.420)</b>	<b>(319.793)</b>
<b>Other comprehensive income</b>					
Net change in available-for-sale securities		144.884	(102.029)	140.521	(90.767)
<b>Other comprehensive income for the period net of tax</b>		<b>144.884</b>	<b>(102.029)</b>	<b>140.521</b>	<b>(90.767)</b>
<b>Total comprehensive income for the period</b>		<b>(433.106)</b>	<b>(629.222)</b>	<b>(303.899)</b>	<b>(410.560)</b>
Basic and diluted earnings / (losses) per share (in Euro)	12	(1,1284)	(1,2662)	(0,8676)	(0,7681)

**Condensed Interim Statement of Financial Position**

	Note	<u>30 June 2011</u>	<u>31 December 2010</u>
<b>ASSETS</b>			
Cash and balances with Central Bank	13	866.666	901.984
Treasury bills		48.910	67.690
Due from other banks	14	3.828.724	3.113.380
Trading securities	15	2.099	49.368
Derivative financial instruments - assets		134.029	132.262
Loans and advances to customers	16	19.734.868	20.175.411
Available-for-sale securities	17	740.642	807.975
Held-to-maturity securities		26.859	33.081
Investments in subsidiaries	18	277.940	230.940
Investments in associates	18	1.725	1.895
Intangible assets		13.158	11.541
Property, plant and equipment		246.749	244.515
Investment property		122.839	124.008
Deferred tax assets	23	135.797	283.566
Other assets		267.402	225.469
<b>TOTAL ASSETS</b>		<b><u>26.448.407</u></b>	<b><u>26.403.085</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Due to other banks	19	9.730.906	8.856.207
Derivative financial instruments - liabilities		136.609	143.963
Due to customers	20	11.130.745	11.704.371
Debt securities in issue	21	2.968.499	2.892.888
Other borrowed funds	22	1.072.611	1.072.354
Due to State pension fund	24	257.767	343.855
Other provisions	25	191.389	182.224
Deferred tax liabilities	23	5.497	5.266
Other liabilities		143.899	258.072
<b>Total liabilities</b>		<b><u>25.637.922</u></b>	<b><u>25.459.200</u></b>
<b>Equity</b>			
Share Capital	27	512.229	512.229
Cash advance for share capital increase	27	700.000	400.000
Share premium		1.123.236	1.123.530
Other reserves	28	618.393	473.509
Retained earnings / (losses)		(1.565.383)	(713.562)
Results for the period		(577.990)	(851.821)
<b>Total equity</b>		<b><u>810.485</u></b>	<b><u>943.885</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>26.448.407</u></b>	<b><u>26.403.085</u></b>

**Condensed Interim Statement of Changes in Equity**

	Share capital	Cash advance for SCI	Share premium	Other reserves	Retained earnings / (losses)	Total
<b>Balance as at 1 January 2010</b>	<b>1.577.665</b>	<b>600.000</b>	<b>360.960</b>	<b>579.506</b>	<b>(2.004.377)</b>	<b>1.113.754</b>
Profit / (loss) for the period 1/1/2010 - 30/6/2010	-	-	-	-	(527.193)	(527.193)
Other comprehensive income:						
Net change in available-for-sale securities	-	-	-	(102.029)	-	(102.029)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(102.029)</b>	<b>(527.193)</b>	<b>(629.222)</b>
Share capital increase	225.379	(600.000)	762.606	-	-	387.985
Write-off of losses carried forward	(1.290.815)	-	-	-	1.290.815	-
<b>Balance as at 30 June 2010</b>	<b>512.229</b>	-	<b>1.123.566</b>	<b>477.477</b>	<b>(1.240.755)</b>	<b>872.517</b>

	Share capital	Cash advance for SCI	Share premium	Other reserves	Retained earnings / (losses)	Total
<b>Balance as at 1 January 2011</b>	<b>512.229</b>	<b>400.000</b>	<b>1.123.530</b>	<b>473.509</b>	<b>(1.565.383)</b>	<b>943.885</b>
Profit / (loss) for the period 1/1/2011 - 30/6/2011	-	-	-	-	(577.990)	(577.990)
Other comprehensive income:						
Net change in available-for-sale securities	-	-	-	144.884	-	144.884
<b>Total comprehensive income for the period</b>	-	-	-	<b>144.884</b>	<b>(577.990)</b>	<b>(433.106)</b>
Cash advance for share capital increase	-	300.000	-	-	-	300.000
Expenses for share capital increase	-	-	(294)	-	-	(294)
<b>Balance as at 30 June 2011</b>	<b>512.229</b>	<b>700.000</b>	<b>1.123.236</b>	<b>618.393</b>	<b>(2.143.373)</b>	<b>810.485</b>

**Condensed Interim Statement of Cash Flows**

	<b>1 January – 30 June 2011</b>	<b>1 January – 30 June 2010</b>
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	(424.284)	(520.202)
<b><u>Adjustments for reconciliation of period result to cash flows from operating activities</u></b>		
<u>Adjustments for non-cash items included in profit and loss for the period:</u>		
Depreciation and amortization	9.409	10.141
Net (profit) / loss from sale of subsidiaries/associates	(93)	(91)
Impairment of subsidiaries	100	-
Impairment of investment portfolio	71.444	-
Impairment losses on loans and advances	439.339	548.620
Other provisions	20.145	2.141
Revaluation difference and accrued interest of derivative financial instruments	(9.121)	(53.452)
Accrued interest	16.911	(4.497)
Net (profit) / loss from sale of available-for-sale securities	-	(105)
Net (profit) / loss from sale of fixed assets	(466)	(1.005)
Impairment of fixed assets	(550)	-
	<b>547.118</b>	<b>501.752</b>
<u>Net (increase) / decrease of operating assets:</u>		
Obligatory deposits to Bank of Greece	(38.000)	(72.979)
Due from other banks	(513.174)	(7.631)
Trading securities	51.349	37.214
Loans and advances to customers (net of write-offs)	(13.339)	(385.974)
Other assets	(46.998)	102.584
	<b>(560.162)</b>	<b>(326.786)</b>
<u>Net increase / (decrease) of operating liabilities:</u>		
Due to other banks	860.598	1.225.084
Due to customers	(582.430)	(2.024.658)
Other liabilities	(183.833)	(194.953)
	<b>94.335</b>	<b>(994.527)</b>
<b>Cash flows from operating activities before tax</b>	<b>(342.993)</b>	<b>(1.339.763)</b>
<b>Total cash flows from operating activities</b>	<b>(342.993)</b>	<b>(1.339.763)</b>
<b>Cash flows from investing activities</b>		
Increase of participations in subsidiaries	(46.830)	(45.015)
Net change in property, plant, equipment, intangible assets & investment property	(11.074)	(15.487)
Net change in available-for-sale investments	138.540	172.134
Net change in held-to-maturity investments	6.222	5.933
<b>Total cash flows from investing activities</b>	<b>86.858</b>	<b>117.565</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of debt securities	1.090.000	1.448.805
Repayment of debt securities in issue	(1.007.196)	(858.929)
Repayment of mortgage backed securities	(15.285)	(23.359)
Share capital increase	300.000	387.627
Proceeds from sale of own bonds	1.504	52.325
<b>Total cash flows from financing activities</b>	<b>369.023</b>	<b>1.006.469</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>112.888</b>	<b>(215.729)</b>
Cash and cash equivalents, at beginning of period (Note 29)	2.538.010	2.681.468
<b>Cash and cash equivalents, at end of period (Note 29)</b>	<b>2.650.898</b>	<b>2.465.739</b>

Notes on pages 9 to 30 form an integral part of these financial information.

## Notes to the financial Statements

### 1. General information

Emporiki Bank (“Emporiki Bank” or the “Bank”) operates in all banking activities (retail, corporate) as well as in investment banking, asset management, portfolio management and in general financial services. The Bank’s registered office is at 11 Sofokleous Str. and its registration number as “Societe Anonyme” is 6064/06/B/86/03. The Bank offers services in Greece through its network of 324 branches and abroad through its branch in London as well as through its subsidiaries in Cyprus, Bulgaria, Albania, and Romania.

Emporiki Bank was established in Greece in 1907 and its shares are listed on the Athens Stock Exchange in the “Low Dispersion and Specific Features Weekly Time Negotiation” category.

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

The members of the Board of Directors, on 30<sup>th</sup> of June 2011 are as follows:

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

  

Non-executive members		
Nikolaos	Ebeoglou	Chairman
Bertrand	Badre	Member
Christophe	Noel	Member
Bruno	De Laage	Member
Yves	Nanquette	Member
Jean - Francois	Marchal	Member
Marc	Oppenheim	Member
Haralampos	David	Member
Jean-Yves	Hocher	Member
Emmanuelle	Yannakis	Member
Achilleus	Constantakopoulos	Member
Giampiero	Maioli	Member
Guy-Marie-Michel	Proffit	Member

  

Independent non-executive members		
Konstantinos	Papdiamantis	Member
Christoforos-Paul	Chatzopoulos	Member

The Board of Directors of the Bank approved these Financial Statements on 29<sup>th</sup> of July 2011.

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

### 2. Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below.

This Condensed Interim Financial Information as at 30 June 2011 has been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

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

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

The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs and are available in [www.emporiki.gr](http://www.emporiki.gr).

These financial information 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 and on the “going concern” basis.

## 2.1. Summary of Significant Accounting policies

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

### **a) Standards and Interpretations effective from periods beginning on or after 1 January 2011**

#### **IAS 24 (Revised) “Related Party Disclosures”**

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This revision does not affect the Bank’s financial statements.

#### **IAS 32 (Amendment) “Financial Instruments: Presentation”**

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity’s own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not relevant to the Bank.

#### **IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”**

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Bank.

#### **IFRIC 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”**

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Bank.

### **b) Amendments to standards that form part of the IASB’s 2010 annual improvements project**

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB’s annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Bank’s financial statements.

#### **IFRS 3 “Business Combinations”**

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

#### **IFRS 7 “Financial Instruments: Disclosures”**

The amendments include multiple clarifications related to the disclosure of financial instruments.

#### **IAS 1 “Presentation of Financial Statements”**

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

#### **IAS 27 “Consolidated and Separate Financial Statements”**

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

#### **IAS 34 “Interim Financial Reporting”**

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

#### **IFRIC 13 “Customer Loyalty Programmes”**

The amendment clarifies the meaning of the term ‘fair value’ in the context of measuring award credits under customer loyalty programmes.

**c) Standards and Interpretations effective from periods beginning on or after 1 January 2012**

**IFRS 7 (Amendment) “Financial Instruments: Disclosures” – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)**

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

**IAS 12 (Amendment) “Income Taxes” (effective for annual periods beginning on or after 1 January 2012)**

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 “Investment Property”. This amendment has not yet been endorsed by the EU.

**IAS 1 (Amendment) “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 July 2012)**

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

**IAS 19 (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 January 2013)**

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits. This amendment has not yet been endorsed by the EU.

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

IFRS 9 is the first Phase of the Board’s project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Bank is currently investigating the impact of IFRS 9 on its financial statements. The Bank cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Bank decide if IFRS 9 will be adopted prior to 1 January 2013.

**IFRS 13 “Fair Value Measurement” (Effective for annual periods beginning on or after 1 January 2013)**

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

**d) Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)**

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Bank is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

**IFRS 10 “Consolidated Financial Statements”**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

**IFRS 11 “Joint Arrangements”**

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

**IFRS 12 “Disclosure of Interests in Other Entities”**

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

#### **IAS 27 (Amendment) “Separate Financial Statements”**

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “Consolidated and Separate Financial Statements”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 “Investments in Associates” and IAS 31 “Interests in Joint Ventures” regarding separate financial statements.

#### **IAS 28 (Amendment) “Investments in Associates and Joint Ventures”**

IAS 28 “Investments in Associates and Joint Ventures” replaces IAS 28 “Investments in Associates”. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

## **2.2 Critical Accounting Estimates and Judgements in Applying Accounting Policies**

In preparing these condensed interim financial information, the significant judgments made by management in applying the Bank’s accounting policies and the key sources of estimation uncertainty are the same as those applied to the published annual financial statements for the year ended 31 December 2010.

## **3. Financial Risk Management**

### **3.1 Financial risk factors**

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

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

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

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

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

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

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

### **3.2 Maximum exposure to credit risk before collateral held or other credit enhancements**

The following table presents the Bank’s maximum credit risk exposure as of 30/6/2011 and 31/12/2010, without including collateral held or other credit enhancements. For on-balance sheet assets, the credit exposures are based on their carrying amounts as reported on the balance sheet.

	<b>Maximum exposure</b>	
	<b>JUNE 2011</b>	<b>DECEMEBR 2010</b>
Trading securities -Bonds issued by Hellenic Republic	2.099	49.368
Available for Sale Bonds issued by Hellenic Republic	275.085	202.770
<b>Total</b>	<b>277.184</b>	<b>252.138</b>

### 3.3 Greek Government Bonds rating

The table below presents an analysis of Greek Government Bonds by rating agency designation at 30 June 2011, based on Moody's rating.

	<b>Trading securities -Bonds issued by Hellenic Republic</b>	<b>Available for Sale Bonds issued by Hellenic Republic</b>	<b>Total</b>
Ca	2.099	275.085	277.184
<b>Total</b>	<b>2.099</b>	<b>275.085</b>	<b>277.184</b>

### 3.4 Market risk

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

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

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

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

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

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

## VAR summary for 2011

### (a) Trading portfolio VAR by Risk Type

	01/01- 30/6/2011		
	Average	High	Low
Foreign exchange risk	-	-	-
Interest rate risk	461,47	670,49	7,199
<b>Σύνολο VAR</b>	<b>461,47</b>	<b>670,49</b>	<b>7,199</b>

### (b) Non – Trading portfolio VAR by Risk Type

The VaR for GGB included in AFS portfolio is calculated through Askari Credit Agricole group tool and is amounted to € 96.866 thous.

## 3.5 Liquidity risk

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

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

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

- (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 items of the Bank by remaining maturity as at the reporting date.

### 30 June 2011

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Not Defined maturity	Total
Trading securities -Bonds issued by Hellenic Republic	35	857	114	707	386	-	2.099
Available for Sale Bonds issued by Hellenic Republic	-	-	-	1.712	273.373	-	275.085
<b>Total financial assets</b>	<b>35</b>	<b>857</b>	<b>114</b>	<b>2.419</b>	<b>273.759</b>	<b>-</b>	<b>277.184</b>

## 3.6 Establishment of fair values

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

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

## 3.7 Fair values financial assets

### Fair value hierarchy

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

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

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

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

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

	30 June 2011				31 December 2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading securities -Bonds issued by Hellenic Republic	2.099	-	-	<b>2.099</b>	49.368	-	-	<b>49.368</b>
Available for Sale Bonds issued by Hellenic Republic	3.281	-	271.804	<b>275.085</b>	202.770	-	-	<b>202.770</b>
<b>Total</b>	<b>5.380</b>	-	<b>271.804</b>	<b>277.184</b>	<b>252.138</b>	-	-	<b>252.138</b>

The Group holds Greek Government Bonds classified in the available for sale portfolio with notional amount of €350m and fair value amounting to €197,5m at the end of June 2011. Greek Government Bonds with a notional amount of €340m and fair value amounting to €192,8m mature before 2020.

The Group has decided to participate in the IIF program

Because there are extremely limited number of transactions of Greek Government Bonds in the secondary market these transactions cannot be used as a basis to measure fair value as at 30 June 2011. Then, the Group decided to change the fair value hierarchy of these Bonds from level 1 into level 3 and to consider that the valuation method based on the principles set out in the IIF Financing Offer published on the 21st of July is more relevant and appropriate.

The Group, based upon detailed analysis, recognized a revaluation gain of €76,1m related to available for sale Greek Government Bonds maturing before 2020 due to re-measurement at the 79% of their notional amount.

The Group also concluded that IIF offer is an evidence of impairment (representing 21% Net Present Value loss) and reclassified available for sale investment loss of €71,4m related to Greek Government Bonds maturing before 2020 due to impairment from other comprehensive income into the income statement"

#### 4. Segment reporting

##### 4.1 Segment results of operations

<u>From 1/1 to 30/6/2011</u>	<b>Total</b>	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Investment banking &amp; treasury</b>	<b>Other</b>
Net interest income	285.888	123.014	77.874	89.476	(4.476)
Net fee and commission income	56.176	42.924	15.643	4.379	(6.770)
Other income	3.195	-	-	539	2.656
<b>Net Operating Income</b>	<b>345.259</b>	<b>165.938</b>	<b>93.517</b>	<b>94.394</b>	<b>(8.590)</b>
Staff costs	163.154	131.527	10.107	5.259	16.262
Impairment losses on loans and other receivables	439.339	349.675	89.664	-	-
Other provisions	20.145	-	-	-	20.145
Impairment of GGBs AFS portfolio	71.446	-	-	71.446	-
Other operating expenses	75.459	60.864	4.573	3.468	6.554
<b>Total Operating Expenses</b>	<b>769.543</b>	<b>542.066</b>	<b>104.343</b>	<b>80.173</b>	<b>42.961</b>
<b>Profit / (loss) before tax</b>	<b>(424.284)</b>	<b>(376.127)</b>	<b>(10.827)</b>	<b>14.221</b>	<b>(51.551)</b>

<u>From 1/1 to 30/6/2010</u>	<b>Total</b>	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Investment banking &amp; treasury</b>	<b>Other</b>
Net interest income	289.463	149.014	58.606	87.711	(5.868)
Net fee and commission income	56.317	43.118	18.012	2.409	(7.222)
Other income	(8.640)	-	-	(11.881)	3.241
<b>Net Operating Income</b>	<b>337.140</b>	<b>192.132</b>	<b>76.618</b>	<b>78.239</b>	<b>(9.849)</b>
Staff costs	220.805	178.003	13.678	7.117	22.007
Impairment losses on loans and other receivables	548.620	498.321	50.299	-	-
Other provisions	2.141	-	-	-	2.141
Other operating expenses	85.776	69.185	5.198	3.942	7.451
<b>Total Operating Expenses</b>	<b>857.342</b>	<b>745.509</b>	<b>69.175</b>	<b>11.059</b>	<b>31.599</b>
<b>Profit / (loss) before tax</b>	<b>(520.202)</b>	<b>(553.377)</b>	<b>7.443</b>	<b>67.180</b>	<b>(41.448)</b>

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

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

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

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

The allocation of interest income in various business segments, is based on the Fund Transfer Pricing Model, which has been developed by the Bank.

##### 4.2 Geographical information

	<u>01/01 - 30/06/2011</u>		<u>01/01 - 30/06/2010</u>	
	<b>Revenues</b>	<b>Non-current assets</b>	<b>Revenues</b>	<b>Non-current assets</b>
Greece	343.497	382.744	338.675	369.535
Germany	-	-	(2.331)	89
United Kingdom	1.762	2	796	-
<b>Total</b>	<b>345.259</b>	<b>382.746</b>	<b>337.140</b>	<b>369.624</b>

## 5. Net Interest Income

	<u>1/1 – 30/6/2011</u>	<u>1/1 – 30/6/2010</u>	<u>1/4 – 30/6/2011</u>	<u>1/4 – 30/6/2010</u>
<b>Interest &amp; similar income</b>				
Cash and short-term funds	45.081	21.465	29.599	10.356
Bonds / Treasury bills	86.591	63.081	44.210	30.856
Loans and advances	341.017	327.205	171.395	168.081
	<b>472.689</b>	<b>411.751</b>	<b>245.204</b>	<b>209.293</b>
<b>Interest expense &amp; similar changes</b>				
Banks and customers	127.460	85.934	70.549	42.731
Debt securities	37.048	15.243	21.618	7.783
Securities and repos	190	140	68	64
Obligations to pension funds	4.476	5.867	2.234	2.933
Other borrowing funds	17.627	15.104	9.145	7.531
	<b>186.801</b>	<b>122.288</b>	<b>103.614</b>	<b>61.042</b>
<b>Net interest income</b>	<b>285.888</b>	<b>289.463</b>	<b>141.590</b>	<b>148.251</b>

## 6. Net fee & commission Income

	<u>1/1 – 30/6/2011</u>	<u>1/1 – 30/6/2010</u>	<u>1/4 – 30/6/2011</u>	<u>1/4 – 30/6/2010</u>
<b>Fee &amp; commission income</b>				
Loans	23.600	23.868	8.830	10.575
Working capital	2.936	2.851	1.567	1.438
Letters of guarantee	8.836	7.592	4.548	3.785
Credit cards	6.978	8.138	3.816	4.299
Imports – Exports	2.024	2.039	1.103	1.055
Mutual Funds	1.896	2.268	1.091	1.363
Other commissions	18.862	19.219	10.344	10.500
	<b>65.132</b>	<b>65.975</b>	<b>31.299</b>	<b>33.015</b>
<b>Fee &amp; commission expense</b>				
Credit cards	1.628	1.735	924	915
Guarantees accepted by Credit Institutions	6.770	7.223	3.362	3.701
Other	558	700	219	421
	<b>8.956</b>	<b>9.658</b>	<b>4.505</b>	<b>5.037</b>
<b>Net fee &amp; commission income</b>	<b>56.176</b>	<b>56.317</b>	<b>26.794</b>	<b>27.978</b>

## 7. Net trading results

	<u>1/1 – 30/6/2011</u>	<u>1/1 – 30/6/2010</u>	<u>1/4 – 30/6/2011</u>	<u>1/4 – 30/6/2010</u>
Net profit / (loss) from transactions and FX valuation	470	8.375	1.354	5.687
Net profit / (loss) from sale and valuation of bonds	897	(17.836)	(378)	(15.860)
Net profit / (loss) from sale and valuation of derivatives	(835)	(115)	(1.011)	(2.874)
<b>Net trading results</b>	<b>532</b>	<b>(9.576)</b>	<b>(35)</b>	<b>(13.047)</b>

**8. Gain less losses of investment portfolio**

	<u>1/1 – 30/6/2011</u>	<u>1/1 – 30/6/2010</u>	<u>1/4 – 30/6/2011</u>	<u>1/4 – 30/6/2010</u>
Net profit from mutual funds units sales	11	105	11	38
Net profit from sale of subsidiaries and associates	93	90	47	45
Impairment of subsidiaries	(100)	-	(100)	-
Impairment of shares	-	(2.503)	-	-
<b>Total result of investment portfolio</b>	<b><u>4</u></b>	<b><u>(2.308)</u></b>	<b><u>(42)</u></b>	<b><u>83</u></b>

**9. Staff Costs**

	<u>1/1 – 30/6/2011</u>	<u>1/1 – 30/6/2010</u>	<u>1/4 – 30/6/2011</u>	<u>1/4 – 30/6/2010</u>
Salaries and wages	113.378	126.106	55.491	62.264
Social security costs (principal and auxiliary plans)	36.215	39.621	18.037	19.639
Other benefits	13.561	55.078	9.186	49.334
<b>Total staff costs</b>	<b><u>163.154</u></b>	<b><u>220.805</u></b>	<b><u>82.714</u></b>	<b><u>131.237</u></b>

Total personnel of Emporiki Bank as at 30 June 2011 were 4.609 compared to 4.679 as at 30 June 2010.

**10. Other Operating Expenses**

	<u>1/1 – 30/6/2011</u>	<u>1/1 – 30/6/2010</u>	<u>1/4 – 30/6/2011</u>	<u>1/4 – 30/6/2010</u>
Fees and third party expenses	7.227	7.943	2.665	3.889
Third parties fees	21.224	24.734	9.976	12.218
Insurance fees	1.148	1.402	636	750
Taxes and duties	7.967	8.219	3.914	3.662
Other expenses	28.484	33.337	16.433	14.465
<b>Other operating expenses</b>	<b><u>66.050</u></b>	<b><u>75.635</u></b>	<b><u>33.624</u></b>	<b><u>34.984</u></b>

**11. Income tax expense**

	<u>1/1 – 30/6/2011</u>	<u>1/1 – 30/6/2010</u>	<u>1/4 – 30/6/2011</u>	<u>1/4 – 30/6/2010</u>
Tax for the period (provision)	6.000	6.632	3.000	3.332
Deferred taxation ( <b>Note 23</b> )	147.706	359	147.854	392
<b>Income tax expense</b>	<b><u>153.706</u></b>	<b><u>6.991</u></b>	<b><u>150.854</u></b>	<b><u>3.724</u></b>

## 12. Earnings per share

	<u>1/1 – 30/6/2011</u>	<u>1/1 – 30/6/2010</u>	<u>1/4 – 30/6/2011</u>	<u>1/4 – 30/6/2010</u>
Attributable profits / (losses) to the Bank shareholders	(577.990)	(527.193)	(444.420)	(319.793)
Average number of shares (excluding own shares)	512.228.885	416.348.694	512.228.885	416.348.694
<b>Basic and diluted earnings/(losses) per share (Euro)</b>	<b><u>(1,1284)</u></b>	<b><u>(1,2662)</u></b>	<b><u>(0,8676)</u></b>	<b><u>(0,7681)</u></b>

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 period presented in these financial information.

## 13. Cash and balances with Central Bank

	<u>30/6/2011</u>	<u>31/12/2010</u>
Cash	252.703	206.765
Deposits at Central Bank excluding obligatory deposits for liquidity purposes	1.518	115.259
Cheques' receivables – Central Bank clearing office	1.908	7.423
<b>Included as cash and cash equivalents (Note 29)</b>	<b><u>256.129</u></b>	<b><u>329.447</u></b>
Obligatory deposits at Central Bank	610.130	572.094
Accrued Interest	407	443
<b>Cash and balances with Central Bank</b>	<b><u>866.666</u></b>	<b><u>901.984</u></b>

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

## 14. Due from other Banks

	<u>30/6/2011</u>	<u>31/12/2010</u>
Cheques receivables	6.372	6.485
On demand	302.907	102.681
Placements in other banks	2.028.405	2.003.500
Other amounts due	15.051	41.164
<b>Included as cash and cash equivalents (Note 29)</b>	<b><u>2.352.735</u></b>	<b><u>2.153.830</u></b>
Placements in other banks not included in cash and cash equivalents	1.474.169	956.940
Loans and borrowings in other banks	1.820	2.610
<b>Due from other banks</b>	<b><u>3.828.724</u></b>	<b><u>3.113.380</u></b>

## 15. Trading Securities

	<u>30/6/2011</u>	<u>31/12/2010</u>
Bonds issued by Hellenic Republic not included in cash and cash equivalents	1.284	49.368
Bonds issued by Hellenic Republic included in cash and cash equivalents	815	-
<b>Total Trading securities</b>	<b><u>2.099</u></b>	<b><u>49.368</u></b>

## 16. Loans and advances to customers

	<u>30/6/2011</u>	<u>31/12/2010</u>
<b>Loans to individuals</b>		
Credit cards	453.527	452.342
Term loans	1.805.997	1.839.455
Mortgage loans	7.403.795	7.506.097
	<b><u>9.663.319</u></b>	<b><u>9.797.894</u></b>
<b>Loans to corporate entities</b>		
Large Corporate Customers	7.497.021	7.238.325
Small and medium size enterprises	4.798.358	4.948.655
Freelancers (Easy Business)	626.494	642.955
	<b><u>12.921.873</u></b>	<b><u>12.829.935</u></b>
Other advances	249.841	219.637
Accrued Interest	54.254	48.653
<b>Total loans and advances to customers</b>	<b><u>22.889.287</u></b>	<b><u>22.896.119</u></b>
Less: Impairment losses on loans and advances	(3.154.419)	(2.720.708)
	<b><u>19.734.868</u></b>	<b><u>20.175.411</u></b>
Floating interest rate	21.329.781	20.851.639
Fixed interest rate	1.505.252	1.995.827
<b>Total loans and advances to customers</b>	<b><u>22.835.033</u></b>	<b><u>22.847.466</u></b>

<b><u>Impairment losses on loans and advances</u></b>	<b><u>30/6/2011</u></b>	<b><u>31/12/2010</u></b>
Changes on impairment losses for loans and advances are summarised as follows:		
<b>Balance at 1 January</b>	2.720.708	1.762.980
Transfer to "Other Provision"	-	(14.300)
Transfer to Available For Sale portfolio	-	(6.149)
Impairment losses on loans and advances	439.597	993.095
Unwinding (Realisation of impairment loss) and write-offs	(5.886)	(14.918)
<b>Balance at 30 June / 31 December</b>	<b><u>3.154.419</u></b>	<b><u>2.720.708</u></b>

The impairment losses on loans and advances presented in the income statement include the net gain from the sale of non-performing loans and the proceeds from written-off receivables totaling to €257 thous. (€ 736 thous. for the period 01/01-30/06/2010).

### 17. Available-for-sale securities

	<u>30/6/2011</u>	<u>31/12/2010</u>
Bonds issued by Hellenic Republic	275.085	202.770
Bonds of other issuers	449.869	590.129
Listed shares	1.479	719
Non listed shares	3.304	2.766
Mutual funds units	10.905	11.591
<b>Available-for-sale securities</b>	<b><u>740.642</u></b>	<b><u>807.975</u></b>

In accordance with the amendment of IAS 39 “Reclassification of Financial Assets”, the Bank has reclassified during 2008 corporate bonds amounted to € 102 mil from the Trading portfolio into the Available-for-Sale portfolio. At 30 June 2011 the nominal and the fair value of these bonds was € 34 mil and € 23 mil respectively.

The loss from the revaluation difference recognized directly in equity for the first semester 2011 amounted to € 79 thous.

### 18. Investments in subsidiaries / associates

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

<u>Company</u>	<u>Country of incorporation</u>	<u>% Held as at 30.6.11</u>	<u>Balance as at 30.6.11</u>	<u>% Held as at 31.12.10</u>	<u>Balance as at 31.12.10</u>
1 EMPORIKI BANK BULGARIA A.D.	BULGARIA	100,00%	40.109	100,00%	40.109
2 EMPORIKI BANK ALBANIA S.A.	ALBANIA	100,00%	31.012	100,00%	31.012
3 EMPORIKI BANK CYPRUS L.T.D.	CYPRUS	69,76%	76.142	96,57%	44.142
4 EMPORIKI VENT. CAPITAL DEVELOPED LIMITED	CYPRUS	100,00%	16.376	100,00%	16.376
5 EMPORIKI VENT. CAPITAL EMERGING LIMITED	CYPRUS	100,00%	15.882	100,00%	15.882
6 EMPORIKI GROUP FINANCE PLC	UNITED KINGDOM	100,00%	18	100,00%	18
7 RESEARCH BANK FOR HISTORICAL ARCHIVES (Non- profit organization)	GREECE	99,90%	15	99,90%	15
8 EMPORIKI MEDIA	GREECE	99,00%	769	99,00%	769
9 EMPORIKI MANAGEMENT	GREECE	99,65%	4.320	99,65%	4.320
10 EMPORIKI BANK ROMANIA S.A.	ROMANIA	99,69%	59.100	99,58%	44.100
11 EMPORIKI DEVELOPMENT AND REAL ESTATE MANAGEMENT	GREECE	100,00%	34.197	100,00%	34.197
			<b><u>277.940</u></b>		<b><u>230.940</u></b>

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

<u>Company</u>	<u>Country of incorporation</u>	<u>% Held as at 30.6.11</u>	<u>Balance as at 30.6.11</u>	<u>% Held as at 31.12.10</u>	<u>Balance as at 31.12.10</u>
1 INCURIAM INVESTMENT LTD	CYPRUS	20,00%	211	20,00%	381
2 EULER HERMES EMPORIKI	GREECE	21,71%	1.514	21,71%	1.514
			<b><u>1.725</u></b>		<b><u>1.895</u></b>

The movement in the investment portfolio is summarized as follows:

	<b>Investments in subsidiaries</b>		<b>Investments in associates</b>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
<b>Opening balance</b>	<b>230.940</b>	<b>205.516</b>	<b>1.895</b>	<b>1.965</b>
Addition	47.000	45.014	-	-
Reduction	-	(19.590)	(70)	(70)
Impairment	-	-	(100)	-
<b>Closing balance</b>	<b>277.940</b>	<b>230.940</b>	<b>1.725</b>	<b>1.895</b>

On 01.11.2010 the Extraordinary General Meeting EMPORIKI BANK ROMANIA S.A., approved the share capital decrease by the amount of partially written off accumulated accounting losses amounting to RON 124 mil. The share capital decrease was completed on 28.01.2011. The Bank, on 24.03.2011 covered by 100% the share capital increase of the aforementioned subsidiary by disbursing the amount of RON 61,9 mil.

In the first semester of 2011 EMPORIKI BANK CYPRUS LTD completed 3 successive share capital increases. The first share capital increase which amounted to € 25 mil. total took place on 31.01.2011 and was fully covered by both the subsidiaries “EMPORIKI VENTURE CAPITAL DEVELOPED MARKETS LTD” and “EMPORIKI VENTURE CAPITAL EMERGING MARKETS LTD” by disbursing the amount of € 12,5 mil. each. The second one, which took place on 23.05.2011, amounted to € 8 mil. total and was also fully covered by both the aforementioned subsidiaries by disbursing the amount of €4 mil. each. On 16.06.2011, the third share capital increase amounted to € 32 mil was completed and fully covered by the Bank.

#### 19. Due to banks

	<b>30/6/2011</b>	<b>31/12/2010</b>
Borrowings from banks	9.648.265	8.763.627
Sight Deposits	82.090	91.915
Other liabilities	551	665
	<b>9.730.906</b>	<b>8.856.207</b>

**20. Due to customers**

	<u>30/6/2011</u>	<u>31/12/2010</u>
<b>Deposits from legal entities</b>		
Sight accounts	990.258	1.117.219
Term deposits	857.115	605.157
	<u>1.847.373</u>	<u>1.722.376</u>
<b>Deposits from individuals</b>		
Current accounts	595.129	732.731
Term deposits	4.199.696	4.037.432
Saving accounts	4.337.330	5.119.817
	<u>9.132.155</u>	<u>9.889.980</u>
Cheques and remittances payable	131.317	80.920
Accrued interest	19.900	11.095
	<u>11.130.745</u>	<u>11.704.371</u>
Fixed interest rate	5.056.811	4.642.589
Floating interest rate	5.922.717	6.969.767
<b>Total deposits</b>	<u>10.979.528</u>	<u>11.612.356</u>

**21. Debt securities in issue**

	<u>30/6/2011</u>	<u>31/12/2010</u>
Debt securities	2.958.854	2.887.289
Other credit titles	73	73
Accrued interest	9.572	5.526
	<u>2.968.499</u>	<u>2.892.888</u>

As at 30 June 2011, Emporiki Bank repaid through the special purpose entity “Lithos Mortgage Finance Plc”, € 15.285.174 mortgage backed securities.

As at 30 June 2011, the Bank owned debt securities issued by “Lithos Mortgage Finance Plc” and “Emporiki Group Finance Plc”, with a total value of € 32.821.821.

In the first semester 2011, debt securities with a total value of € 750.000.000 were early repaid and debt securities with a total value of € 268.000.000 were matured.

In the first semester 2011, Emporiki Bank issued, through “Emporiki Finance Plc”, debts of € 1.090.000.000. The respective maturities and interest rates are as follows:

<u>S/N</u>	<u>Nominal Value in €</u>	<u>Start Date</u>	<u>Maturity Date</u>	<u>Interest</u>
1	250.000.000	16/2/2011	16/2/2016	3m Euribor +1,3bps
2	100.000.000	16/2/2011	16/8/2013	3m Euribor +0,915bps
3	15.000.000	28/2/2011	28/2/2013	4% p.a. fixed
4	50.000.000	16/3/2011	28/2/2013	4% p.a. fixed
5	200.000.000	25/3/2011	25/9/2018	3m Euribor +153,5bps
6	400.000.000	25/3/2011	25/9/2020	3m Euribor +164,5bps
7	30.000.000	8/3/2011	8/3/2021	3m Euribor +1,24bps
8	35.000.000	18/4/2011	28/2/2013	4% p.a. fixed
9	10.000.000	25/5/2011	28/5/2012	3,1% p.a. fixed
<b>Total</b>	<b>1.090.000.000</b>			

Emporiki Bank successfully completed, on February 1<sup>st</sup>, 2011, a bond loan securitization totaling €1.166 million, in accordance with the provisions of the law 3156/2003. The notes were issued through “Lemnos PLC” a special purpose vehicle, incorporated in the UK.

## 22. Other borrowed funds

	<u>30/6/2011</u>	<u>31/12/2010</u>
Subordinated notes	350.000	350.000
Subordinated notes due to the parent company	300.000	300.000
Hybrid securities due to the parent company	420.000	420.000
Accrued interest	2.611	2.354
	<b>1.072.611</b>	<b>1.072.354</b>

**23. Deferred tax assets/liabilities**

	<u>30/6/2011</u>	<u>31/12/2010</u>
<b>Deferred tax assets</b>		
Intangible assets write-off	1.829	2.123
Impairment of loans and receivables	619.078	532.312
Provision for the cost of transfer to IKA- ETEAM & ETAT	58.541	66.424
Commissions recognition based on effective interest rates	2.574	2.723
Impairment of investments for companies under clearing process	5.600	5.600
Provision for staff expenses	6.513	6.688
Other provisions	17.669	14.343
Other temporary tax differences	<u>(6)</u>	<u>(6)</u>
	<b>711.798</b>	<b>630.207</b>
Reassessment of recoverability	<u>(576.001)</u>	<u>(346.641)</u>
	<b>135.797</b>	<b>283.566</b>
<b>Deferred tax liabilities</b>		
Reduced depreciation rates for buildings	<u>5.497</u>	<u>5.266</u>
	<b>5.497</b>	<b>5.266</b>
<b>Net deferred tax assets</b>	<u><b>130.300</b></u>	<u><b>278.300</b></u>

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

<b>At 1 January</b>	<b>278.300</b>	<b>278.300</b>
Income statement	(147.706)	(320)
Share premium		
Share capital expenses write-off	(294)	320
<b>At 30 June / 31 December</b>	<u><b>130.300</b></u>	<u><b>278.300</b></u>

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

	<u>30/6/2011</u>	<u>31/12/2010</u>
<b>Deferred tax (income statement)</b>		
Intangible assets variation	-	554
Provision for the cost of transfer to IKA- ETEAM & ETAT	7.883	15.229
Impairment of loans and receivables	(86.766)	(196.600)
Commissions recognition based on real interest rates	149	299
Provision for staff expenses	175	597
Reduced depreciation rates for buildings	231	516
Other provisions	(3.326)	3.878
Reassessment of recoverability	<u>229.360</u>	<u>175.847</u>
	<b>147.706</b>	<b>320</b>

The Management of the Bank, taking into consideration the current financial circumstances of the Bank and the effect of the market conditions, undertook provisioning policy by reducing the deferred tax asset in total by € 576 mil. (€ 229,3 mil for the first semester 2011). For the same reason, deferred tax asset for tax losses carried has not been recognized.

## 24. Obligations to pension funds

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

Following the provisions of the new law 3371/2005, an economic study was performed by independent specialized actuaries, in order to determine the cost of including TEAPETE into the above-mentioned auxiliary funds (IKA-ETEAM and ETAT). This economic study was completed within the 1st quarter of 2006 and was approved by the relevant committee of the Ministry of Economy and Finance and it was ratified by law (L. 3455/2006). According to the study the Bank will pay to IKA-ETEAM and ETAT, for its pensioners a special contribution of €786,3 millions in total (upfront or within a period of 10 years bearing an interest rate of 3,53%). In addition, the Bank will be obliged to pay additional contributions compared to those defined by ETEAM regulations for its employees hired before 31/12/2004 through to retirement. The terms of the payment of the increased contributions were not defined by Law 3371/2005 but were established following a ministerial decision IKA Φ20203/19189/931/7.11.06. The Bank proceeds to the payment of the scheduled installments as these were defined in the economic study mentioned above. The outstanding balance of the liability as at 30.06.2011 was € 257,8 millions.

The Employee Union has litigated the aforementioned submission and has proceeded relevant legal actions. For one legal action, which was discussed in the First Instance Court of Athens, the ruling was issued, number 116/2008, and judged that the provisions of Law 3455/2006 are unconstitutional and the termination of employee contracts relating the Bank, the Employee Union and the TEAPETE is abusive. The Bank has proceeded legal action against the aforementioned court ruling which was discussed on 24.03.2009. During the aforementioned trial the Greek State has proceeded intervention in favor of the Bank. The Court of Appeal judgment number 4007/2009 (published 30.06.2009) rejected the Bank's appeal and validated the First Instance judgment. On December 2009, the Bank and the Greek State has appealed before the Supreme Court of Appeal. The Bank's appeal hearing was determined for 20.01.2011, postponed for 17.03.2011 and then adjourned for 20.10.2011. The economic impact of the judgment cannot be currently assessed.

It should be noted that the State Council (in plenary session), pursuant to a series of recent decisions (Nr. 2197-2203/2010) rejected the petitions of bank employees and unions against Presidential Decree 209/2006, issued pursuant to L.3371/2005, and admitted that the inclusion of bank employees in the ETAT (Single Fund for the Social Insurance of Bank Employees) is consistent with the Greek Constitution. The above-mentioned decisions constitute an important factor, which will most probably affect the outcome of the case before the Supreme Court of Appeal.

## 25. Other provisions

Other provisions are summarized as follows:

	<u>30/6/2011</u>	<u>31/12/2010</u>
Provisions for tax issues	66.359	60.365
Provisions for litigations	61.751	51.053
Provisions for suspense accounts & other receivables	48.627	49.406
Provisions for guarantees given	6.264	20.264
Other provisions	8.388	1.136
<b>Total</b>	<b><u>191.389</u></b>	<b><u>182.224</u></b>

The movement of other provisions is analyzed as follows:

	Tax	Non-used Vacation leaves	Litigations	Suspense accounts and other receivables	Guarantees given	Other	Total
<b>Balance 01/01/2010</b>	<b>61.085</b>	<b>596</b>	<b>50.568</b>	<b>53.882</b>	<b>20.277</b>	<b>2.228</b>	<b>188.636</b>
Charge	15.644	-	485	(5.052)	-	(1.420)	9.657
Transfer	-	(596)	-	14.300	-	-	13.704
Utilization	(16.363)	-	-	(13.724)	(13)	320	(29.780)
Translation differences	(1)	-	-	-	-	8	7
<b>Balance 31/12/2010</b>	<b>60.365</b>	<b>-</b>	<b>51.053</b>	<b>49.406</b>	<b>20.264</b>	<b>1.136</b>	<b>182.224</b>
<b>Balance 01/01/2011</b>	<b>60.365</b>	<b>-</b>	<b>51.053</b>	<b>49.406</b>	<b>20.264</b>	<b>1.136</b>	<b>182.224</b>
Charge	6.000	-	10.698	(300)	-	7.262	23.660
Transfer	-	-	-	-	-	-	-
Utilization	-	-	-	(479)	(14.000)	-	(14.479)
Translation differences	(6)	-	-	-	-	(10)	(16)
<b>Balance 30/06/2011</b>	<b>66.359</b>	<b>-</b>	<b>61.751</b>	<b>48.627</b>	<b>6.264</b>	<b>8.388</b>	<b>191.389</b>

Pursuant to the Decision No. 3/347/12.07.2005 of the Board of Directors of the Hellenic Capital Market Commission, “EMPORIKI BANK OF GREECE S.A.” announces that, on the basis of the contract dated 2007 between the companies “EMPORIKI BANK OF GREECE S.A.”, “CRÉDIT AGRICOLE S.A.” and “GROUPAMA INTERNATIONAL” regarding the transfer of “GROUPAMA PHOENIX S.A.” shares (formerly “PHOENIX METROLIFE EMPORIKI S.A.”) from the first two above-mentioned to the third company, a return of EURO 14 million to “GROUPAMA S.A.” (formerly “GROUPAMA INTERNATIONAL”) has been agreed between the parties by way of price reduction, thereby releasing Emporiki Bank from all its obligations as seller of the shares. This amount is fully covered by relevant provision in the financial reports of Emporiki Bank.

## 26. Contingent liabilities and commitments

### a) Legal issues

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

### b) Tax issues

Tax authorities have audited Emporiki Bank for all years up to and including 2008.

### c) Commitments

	<u>30/6/2011</u>	<u>31/12/2010</u>
Letters of guarantee	1.927.533	2.014.154
Unused approved credit limits	17.027.859	17.164.722
	<b><u>18.955.392</u></b>	<b><u>19.178.876</u></b>

### d) Pledged assets

The nominal value of pledged assets as at 30 June 2011 amounts to € 953.746 thousands (€1.247.228 thousands as at 31 December 2010) including Hellenic Republic and other issuers bonds pledged by the Bank of Greece for the purposes of transactions through TARGET, by the derivatives clearing house (ETESSEP) as margin insurance and pledged by foreign financial institutions for funding purposes.

Additionally, on 30 June 2011 loans with a total nominal value of € 483.550 thousands have been pledged by the Bank of Greece for funding purposes.

Finally, bonds with a nominal value of € 52.820 thousands are provided as collateral as part of repurchasing agreements (repos) with other credit institutions.

## 27. Share capital and own shares

The share capital as at 30 June 2011 amounts to € 512.228.885 comprising by 512.228.885 ordinary shares of € 1,00 nominal value each and as a result, there are no changes comparing to share capital as at 31.12.2010.

In the fourth quarter of 2010, Credit Agricole as the main shareholder has granted a cash advance of €400 million for a SCI in order to enhance the capital adequacy of Emporiki Bank.

In the first semester of 2011, Credit Agricole as the main shareholder has granted a new cash advance of €300 million for a SCI to enhance the capital adequacy of Emporiki Bank.

## 28. Other reserves

	<u>30/6/2011</u>	<u>31/12/2010</u>
Statutory reserve	114.405	114.405
Valuation reserve of available-for-sale investments	(44.117)	(189.001)
Reserves from disposal of treasury shares	52.466	52.466
Other reserves	495.639	495.639
	<u><b>618.393</b></u>	<u><b>473.509</b></u>

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

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

	<u>30/6/2011</u>	<u>31/12/2010</u>
Opening balance	(189.001)	(83.004)
Profit / (loss) from revaluation	73.438	(110.117)
Recycling to the income statement from impairment	71.446	4.120
<b>Closing balance</b>	<u><b>(44.117)</b></u>	<u><b>(189.001)</b></u>

## 29. Cash and cash equivalents

For cash flow statement purposes, cash and cash equivalents are consisted of the following accounts, which have a maturity of less than 3 months from date of purchase

	<u>30/6/2011</u>	<u>31/12/2010</u>
Cash and balances with Central Bank ( <b>Note 13</b> )	256.129	329.447
Treasury securities	42.034	54.733
Due from banks ( <b>Note 14</b> )	2.352.735	2.153.830
	<u><b>2.650.898</b></u>	<u><b>2.538.010</b></u>

## 30. Related party transactions

The major shareholders of the Bank as at 30 June 2011 are Credit Agricole S.A and SACAM International with participating interest of 91% and 5% respectively, as also pension funds with participating interest of 0,45%. The remaining shares are widely held and traded on the Athens Stock Exchange.

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

	<b>1/1 - 30/6/2011</b>	<b>1/1 - 30/6/2010</b>
Board of Director's fees* and Executive Committee fees	2.410	2.314
	<b>30/6/2011</b>	<b>31/12/2010</b>
Deposits	1.069	949
Loans	378	422

\* The fees of the non-executive members of the Board of Directors of the Bank amount to € 96 thousands for the first semester of 2011 and € 107 thousands for the first semester of 2010 respectively.

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

**b) Transactions and balances with Credit Agricole Group (incl. the transactions of Emporiki Bank's subsidiaries)**

	<b>30/6/2011</b>	<b>31/12/2010</b>
<b>Assets</b>		
Due from other banks	3.552.778	2.970.307
Loans and advances to customers	19.853	23.048
Derivative financial instruments – assets	22.047	43.297
Other assets	4.248	9.510
	<b><u>3.598.926</u></b>	<b><u>3.046.162</u></b>
<b>Liabilities</b>		
Due to other banks	9.665.644	8.443.047
Due to customers	45.698	79.427
Debt securities in issue	2.819.441	2.728.330
Other borrowed funds	1.072.611	1.472.294
Derivative financial instruments – liabilities	105.511	113.359
Other liabilities	7.081	6.592
	<b><u>13.715.986</u></b>	<b><u>12.843.049</u></b>
	<b>1/1 - 30/6/2011</b>	<b>1/1 - 30/6/2010</b>
<b>Income</b>		
Interest & similar income	46.264	19.182
Fee & commission income	6.814	5.380
Net trading results	(36.197)	35.319
Other operating income	1.874	1.114
	<b><u>18.755</u></b>	<b><u>60.995</u></b>
<b>Expense</b>		
Interest expense & similar charges	99.346	47.905
Fee & commission expense	6.726	7.697
Staff costs	261	401
Other operating expenses	1.372	5.102
	<b><u>107.705</u></b>	<b><u>61.105</u></b>

The related parties transactions and balances are summarized as follows:

	<u>1/1 - 30/6/2011</u>	<u>1/1 - 30/6/2010</u>
Income	18.755	60.995
Expense	107.705	61.105
Fees for Board of Directors members and key management personnel	2.410	2.314
	<u>30/6/2011</u>	<u>31/12/2010</u>
Assets	3.598.926	3.046.162
Liabilities	13.715.986	12.843.049
Receivables from Board of Directors members and key management personnel	378	422
Liabilities to Board of Directors members and key management personnel	1.069	949

### 31. Dividends paid

For the accounting period 2010, no dividend distribution was proposed by the Bank.

### 32. Capital adequacy

The Bank's solvency ratio is calculated in accordance with Law 3601/2007 and BOG decisions 2630/29.10.2010 "Definition of equity for credit institutions in Greece" and 2588/20.08.2007 "Solvency ratio for credit institutions".

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

Weighted Assets on credit risks	15,92
Weighted Assets on market risks	1,17
Weighted Assets on operational risks	0,08
<b>Total risk Weighted Assets</b>	<u><u>17,17</u></u>
<b>Regulatory Shareholder's Equity</b>	
Tier #1 Capital	1,12
Tier #2 Capital	0,70
<b>Total Regulatory Equity</b>	<u><u>1,81</u></u>

The relevant ratio at 30 June 2011 is estimated to be at 10,6% for the Bank. The calculation of the Capital Adequacy Ratio as of 30 June 2011, has taken into account the guarantee received by the parent company Credit Agricole S.A and the cash advance of € 700 thousands.

**V. Financial data and Information for the period from January 1, 2011 to June 30, 2011.**

**EMPORIKI BANK OF GREECE S.A.**
**FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2011 TO JUNE 30, 2011**

 (Published according to the Decisions 4/507/28.04.2009 of the Hellenic Capital Market Commission)  
 (amounts in thousands of Euro)

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

**COMPANY INFORMATION**

Web Site address:	www.emporiki.gr
Date of approval of the Financial Statements from the BoD:	July 29, 2011
Certified Auditor Accountant:	Dimitris Sourbis (AM SOEL 16891)
Auditing Company:	PRICEWATERHOUSE COOPERS A.E.E (AM SOEL 113)
Type of Auditor's Review:	Unqualified Opinion-Emphasis of matter
Date of Issuance of Auditor's Review	July 29, 2011

**MEMBERS OF THE BOARD OF DIRECTORS**

EBEOGLOU	NIKOLAOS	Chairman, Non Executive Member
STRUB	ALAIN	Chief Executive Officer, Vice Chairman, Executive Member
CHARRIER	BRUNO - MARIE	Deputy Chief Executive Officer, Executive Member
SPILOPOULOS	GEORGIOS	Executive Member
DIMAKAKOS	FOKION	Executive Member
CHALKIDI	DESPINA	Executive Member
BADRE	BERTRAND	Non-Executive Member
DE LAAGE	BRUNO	Non-Executive Member
MARCHAL	JEAN - FRANCOIS	Non-Executive Member
DAVID	HARALAMPOS	Non-Executive Member
NOEL	CHRISTOPHE	Non-Executive Member
NANQUETTE	YVES	Non-Executive Member
CONSTANTAKOPOULOS	ACHILLEUS	Non-Executive Member
HOCHER	JEAN - YVES	Non-Executive Member
MAIOLI	GIAMPRIERO	Non-Executive Member
YANNAKIS	EMMANUELLE	Non-Executive Member
OPPENHEIM	MARC	Non-Executive Member
PROFFIT	GUY-MARIE-MICHEL	Non-Executive Member
PAPADIAMANTIS	KONSTANTINOS	Independent Non-Executive Member
CHATZOPOULOS	CHRISTOFOROS-PAUL	Independent Non-Executive Member

**STATEMENT OF FINANCIAL POSITION**

	Consolidated		Bank	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
<b>ASSETS</b>				
Cash and Balances with Central Bank	951,813	1,014,563	866,666	901,984
Treasury Bills	48,910	67,690	48,910	67,690
Due from Other Banks	3,727,878	2,397,786	3,828,724	3,113,380
Trading Securities	2,104	49,373	2,099	49,368
Derivative Financial Instruments-Assets	134,046	132,223	134,029	132,262
Loans and Advances to Customers	20,815,411	21,293,457	19,734,868	20,175,411
Available for Sale Securities	772,656	834,933	740,642	807,975
Held to Maturity Securities	41,859	47,828	26,859	33,081
Investments in non consolidated subsidiaries	993	1,411	277,940	230,940
Investments in Associates	1,434	1,671	1,725	1,895
Intangible Assets	20,439	17,156	13,158	11,541
Property, Plant and Equipment	264,314	264,274	246,749	244,515
Investment Property	128,396	128,484	122,839	124,008
Deferred Tax Assets	137,510	285,250	135,797	283,566
Income Tax Advance	440	677	-	-
Other Assets	280,173	240,192	267,402	225,469
<b>TOTAL ASSETS</b>	<b>27,328,376</b>	<b>26,776,968</b>	<b>26,448,407</b>	<b>26,403,085</b>
<b>LIABILITIES</b>				
Due to Other Banks	10,107,652	8,666,647	9,730,906	8,856,207
Derivative Financial Instruments-Liabilities	136,592	143,940	136,609	143,963
Due to Customers	11,633,834	12,245,577	11,130,745	11,704,371
Debt Securities in Issue	2,966,786	2,892,583	2,968,499	2,892,888
Other Borrowed Funds	1,072,519	1,072,261	1,072,611	1,072,354
Due to State Pension Funds	257,767	343,855	257,767	343,855
Personnel Leaving Indemnities	17,455	3,989	-	-
Other Provisions	196,775	187,892	191,389	182,224
Current Income Tax Liabilities	456	833	-	-
Deferred Tax Liabilities	6,664	6,316	5,497	5,266
Other Liabilities	155,692	269,889	143,899	258,072
<b>TOTAL LIABILITIES</b>	<b>26,552,172</b>	<b>25,833,782</b>	<b>25,637,922</b>	<b>25,459,200</b>
<b>EQUITY</b>				
Share Capital	512,229	512,229	512,229	512,229
Cash advance for share capital increase	700,000	400,000	700,000	400,000
Share Premium	1,122,942	1,123,476	1,123,236	1,123,530
Other Reserves	598,804	454,186	618,393	473,509
Retained Earnings / Losses	(1,547,960)	(673,759)	(1,565,383)	(713,562)
Result for the period	(610,626)	(873,469)	(577,990)	(851,821)
<b>TOTAL EQUITY</b>	<b>775,389</b>	<b>943,663</b>	<b>810,485</b>	<b>943,885</b>
Non-controlling Interests	815	523	-	-
<b>TOTAL EQUITY &amp; NON-CONTROLLING INTERESTS</b>	<b>776,204</b>	<b>943,186</b>	<b>810,485</b>	<b>943,885</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>27,328,376</b>	<b>26,776,968</b>	<b>26,448,407</b>	<b>26,403,085</b>

**STATEMENT OF CASH FLOWS**

	Consolidated		Bank	
	1/1 - 30/06/2011	1/1 - 30/06/2010	1/1 - 30/06/2011	1/1 - 30/06/2010
Net cash flows from operating activities	266,046	(1,432,764)	(342,993)	(1,339,763)
Net cash flows from investing activities	124,813	151,371	86,858	117,565
Net cash flows from financing activities	369,023	1,006,470	369,023	1,006,469
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>759,882</b>	<b>(274,923)</b>	<b>112,888</b>	<b>(215,729)</b>
Cash & cash equivalents at beginning of year	1,845,411	2,067,293	2,538,010	2,681,468
<b>Cash &amp; cash equivalents at end of the period</b>	<b>2,605,293</b>	<b>1,792,370</b>	<b>2,650,898</b>	<b>2,465,739</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD**

	Consolidated		Bank	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
<b>Equity at beginning of period (01.01.2011 and 01.01.2010 respectively)</b>	<b>943,186</b>	<b>1,138,518</b>	<b>943,885</b>	<b>1,113,754</b>
Total comprehensive income after income tax				
Profit / (loss) for the period	(611,080)	(535,242)	(577,990)	(527,193)
Available-for-sale valuation	145,164	(101,761)	144,884	(102,029)
Foreign exchange differences	(540)	(1,729)	-	-
Appropriation	-	(38)	-	-
Changes in subsidiaries shareholding structure	8	(1,200)	-	-
Expenses for share capital increase / Share Capital Increase	(534)	387,986	(294)	387,985
Cash advance for share capital increase	300,000	-	300,000	-
<b>Equity at end of the period (30.06.2011 and 30.06.2010 respectively)</b>	<b>776,204</b>	<b>886,534</b>	<b>810,485</b>	<b>872,517</b>

**STATEMENT OF COMPREHENSIVE INCOME**

	Consolidated				Bank			
	1/1 - 30/06/2011	1/1 - 30/06/2010	1/4 - 30/06/2011	1/4 - 30/06/2010	1/1 - 30/06/2011	1/1 - 30/06/2010	1/4 - 30/06/2011	1/4 - 30/06/2010
Interest & Similar Income	509,383	449,592	258,496	227,152	472,689	411,751	245,204	209,293
Interest Expense & Similar Charges	(196,654)	(134,369)	(106,253)	(66,315)	(186,801)	(122,288)	(103,614)	(61,042)
<b>NET INTEREST INCOME</b>	<b>312,729</b>	<b>315,223</b>	<b>152,243</b>	<b>160,837</b>	<b>285,888</b>	<b>289,463</b>	<b>141,590</b>	<b>148,251</b>
Fee and Commission Income	68,025	68,473	32,093	34,224	65,132	65,975	31,299	33,015
Fee and Commission Expense	(9,268)	(9,432)	(4,683)	(4,761)	(8,956)	(9,658)	(4,505)	(5,037)
<b>NET COMMISSION INCOME</b>	<b>58,757</b>	<b>59,041</b>	<b>27,410</b>	<b>29,463</b>	<b>56,176</b>	<b>56,317</b>	<b>26,794</b>	<b>27,978</b>
Dividend Income	11	4	9	2	3	3	1	1
Net Trading Results	2,084	(8,912)	53	(13,291)	532	(9,576)	(35)	(13,047)
Gain less Losses from Investment Securities	(483)	(2,308)	(180)	83	4	(2,308)	(42)	83
Other Operating Income	4,841	5,321	1,812	2,541	2,656	3,241	1,206	1,551
<b>NET OPERATING INCOME</b>	<b>377,939</b>	<b>368,369</b>	<b>181,347</b>	<b>179,635</b>	<b>345,259</b>	<b>337,140</b>	<b>169,514</b>	<b>164,817</b>
Staff Costs	(177,550)	(235,701)	(89,369)	(138,398)	(163,154)	(220,805)	(82,714)	(131,237)
Depreciation & Amortisation	(11,879)	(13,098)	(5,455)	(6,253)	(9,409)	(10,141)	(4,761)	(4,778)
Impairment Losses on Loans and Receivables	(478,126)	(564,419)	(262,820)	(315,148)	(439,339)	(548,620)	(256,290)	(307,750)
Other provisions	(20,230)	(2,582)	(14,264)	(2,406)	(20,145)	(2,141)	(14,245)	(2,137)
Impairment of GGBs AFS portfolio	(71,446)	-	(71,446)	-	(71,446)	-	(71,446)	-
Other Operating Expenses	(75,381)	(79,635)	(37,295)	(39,515)	(66,050)	(75,635)	(33,624)	(34,984)
<b>TOTAL OPERATING EXPENSES</b>	<b>(834,612)</b>	<b>(895,435)</b>	<b>(480,649)</b>	<b>(501,720)</b>	<b>(769,543)</b>	<b>(857,342)</b>	<b>(463,080)</b>	<b>(480,886)</b>
Share of Profit / (Loss) of Associates	(68)	(142)	(69)	(69)	-	-	-	-
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>	<b>(456,741)</b>	<b>(527,208)</b>	<b>(299,371)</b>	<b>(322,154)</b>	<b>(424,284)</b>	<b>(520,202)</b>	<b>(293,566)</b>	<b>(316,069)</b>
Income Tax Expense	(154,339)	(8,034)	(151,564)	(3,785)	(153,706)	(6,991)	(150,854)	(3,724)
<b>PROFIT / (LOSS) AFTER INCOME TAX</b>	<b>(611,080)</b>	<b>(535,242)</b>	<b>(450,935)</b>	<b>(325,939)</b>	<b>(577,990)</b>	<b>(527,193)</b>	<b>(444,420)</b>	<b>(319,793)</b>
Attributable to:								
Equity Holders of the Bank	(610,626)	(535,133)	(451,077)	(325,837)	-	-	-	-
Non-controlling Interests	(454)	(109)	142	(102)	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME AFTER TAX</b>	<b>144,624</b>	<b>(103,490)</b>	<b>139,808</b>	<b>(93,671)</b>	<b>144,884</b>	<b>(102,029)</b>	<b>140,521</b>	<b>(90,767)</b>
<b>TOTAL COMPREHENSIVE INCOME AFTER TAX</b>	<b>(466,456)</b>	<b>(638,732)</b>	<b>(311,127)</b>	<b>(419,610)</b>	<b>(433,106)</b>	<b>(629,222)</b>	<b>(303,899)</b>	<b>(410,560)</b>
Attributable to:								
Equity Holders of the Bank	(466,009)	(638,596)	(311,266)	(419,492)	-	-	-	-
Non-controlling Interests	(447)	(136)	139	(118)	-	-	-	-
Basic earnings / (losses) per share (in Euro)	(1.1921)	(1.2853)	(0.8806)	(0.7826)	(1.1284)	(1.2662)	(0.8676)	(0.7681)

Athens, July 29 2011

CHAIRMAN OF THE BoD

 VICE-CHAIRMAN &  
 CHIEF EXECUTIVE OFFICER

 CHIEF FINANCIAL  
 OFFICER

HEAD OF ACCOUNTING DIVISION

NIKOLAOS M. EBEOGLOU

ALAIN STRUB

VINCENT-PASCAL-RAYMOND JULITA

ARGYRIOS K. GEORGAKAKOS