



**NOTES TO THE ACCOUNTS OF THE STAND ALONE AND CONSOLIDATED FINANCIAL STATEMENTS
OF EFG EUROBANK ERGASIAS SA
AS AT 31 DECEMBER 2004
Registration no 6068/06/B/86/07**

I. MERGERS VIA ABSORPTION OF COMPANIES BY EFG EUROBANK ERGASIAS SA

1. On 25.5.2004, the absorption of EFG Quality Management Services SA by EFG Eurobank Ergasias SA, was completed with a merger balance sheet date of 30.11.2003.

In December 2004, the Bank has commenced the process of merger via absorption of Telesis Direct SA with a merger balance sheet date of 31.12.2004. The process is expected to be completed in the first semester of 2005.

2. It is reminded that EFG Eurobank Ergasias SA has been formed from the merger of the following banks: EFG Eurobank SA, Interbank of Greece SA, Bank of Athens SA, Cretabank SA, Ergasias Bank SA, TELESIS Investment bank SA, Ergoinvest SA, Ergoinvestment Advisors SA, Development Investments SA and Unitbank SA.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. The annual stand alone and consolidated financial statements of the Bank have been prepared in accordance with the relevant requirements of Companies Act 2190/1920, except for the cases referred to in: a) chapter IV ASSETS, paragraphs 3, 4, 7 and 10, b) chapter V LIABILITIES and 7.4 "Treasury shares" and c) chapter IX OTHER INFORMATION, paragraphs 5 "Impact on the financial statements of the application of IFRS for leasing companies".

III. PRINCIPAL ACCOUNTING POLICIES

1.Fixed assets

Land and buildings are stated at acquisition cost (historic cost), as revalued in 2004 in accordance with the requirements of article 21 § 1 of Law 2065/92. The acquisition cost has been increased with the cost of additions and improvements and reduced by the accumulated depreciation and impairment provisions.

The remaining tangible fixed assets are stated at acquisition (historic cost), increased with the cost of additions and improvements and reduced by accumulated depreciation and impairment provisions.

For the depreciation rate, the depreciation is calculated in accordance with the law required. With effect from 2003 the Bank applied the Presidential Decree 299/2003.

2. Interest on deposits, loans and securities

Interest on deposits, loans and securities recorded in the profit and loss account relates to the period from 1-1 to 31-12-2004. Amounts receivable which have not yet been collected are included in amounts due from/to customers/banks respectively, whereas amounts accrued but not yet due are included in deferred income or accrued expenses accordingly.

3. Securities portfolios

Securities with maturity of over one year are classified as investment securities, when they are purchased with the intention to be held to maturity. Securities purchased with the intention to be held for a significant period of time, but not necessarily to their maturity, are classified as the available for sale securities. The remaining securities are classified as trading.

4. Fixed income securities

Fixed income securities classified as investment securities are stated at acquisition cost, increased or decreased by the accumulated amortisation of the premium or discount amounts up to the Balance Sheet date.

Fixed income securities classified as available-for-sale are valued at the lower of cost (as defined above) and market value on an aggregate basis.

Fixed income securities classified as trading are stated at their market value.

5. Shares and other variable-yield securities

Shares and other variable-yield securities classified as investment securities are stated at acquisition cost.

Shares and other variable-yield securities classified as available-for-sale are valued at the lower of cost and market value on an aggregate basis.

shares and other variable-yield securities classified as trading are stated at their market value.

6. Participations in affiliated and non-affiliated undertakings

Investments in affiliated and non-affiliated undertakings are stated at acquisition cost.

7.Consolidation differences

Consolidation differences are included in "Liabilities" as a special element of "Equity". These arise on the date control is passed or substantial influence is obtained as well as when the participation interest (%) changes.

8. Securities repurchase and resale agreements

Liabilities arising from sale and repurchase agreements of securities (repos) are stated at the initial selling price increased by the amortisation of the agreed interest yield up to 31-12-2004. The underlying securities remain on Balance Sheet and are valued in accordance with the Bank's accounting principles (4 above).

Reversely, receivables arising from purchase and resale agreements of securities (reverse repos) are stated at the initial purchase price increased by the amortisation of the agreed interest yield up to 31.12.2004. The underlying securities are recorded in Off Balance Sheet accounts.

9. Assets and liabilities in foreign currencies

Assets and liabilities denominated in foreign currencies are translated into euro at the market rates of exchange ruling at the balance sheet date, except for:

a) Assets and liabilities arising from forward transactions which, given that the Bank does not create a foreign exchange position, are accounted for based on the predetermined exchange rate and the time remaining from 31-12-2004 to the pre-determined date of sale or purchase, and

b) Assets and liabilities arising from currency swaps which, given that the currencies exchanged will be returned at pre-determined rates, are accounted for based on the currencies that will be re-exchanged, the predetermined exchange rate and the time remaining from 31-12-2004 to the pre-determined date of re-exchange.

Exchange differences (positive/negative) are accounted for in the profit and loss account.

10. Provision for doubtful debts

The provision for doubtful debts comprises the provision calculated as 1% of the average loan balances during the year, in accordance with the provisions of Law 396/68, as well as additional provision required to cover potential loan losses estimated by the Bank.

11. Provision for staff indemnity

In accordance with Greek labour legislation, if employees remain in the employment of the company until normal retirement age, they are entitled to a lump sum payment which is based on the number of years of service and the level of remuneration at the date of retirement.

The Bank makes a provision with respect to this lump sum payments on an annual basis, so that the cost is spread over the period of service of the employees. The pension obligation is calculated by reference to the current level of remuneration of the employees and is subsequently discounted using interest rates of government securities which have terms to maturities approximating the terms of the related liability.

12. Deferred tax

The Bank calculates deferred tax on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The deferred tax amount is added or deducted from profits available for distribution and a corresponding special reserve is created. This reserve will be offset against future income tax when the temporary differences are settled.

IV. ASSETS

1. Loans and advances to financial institutions

	2004		2003	
	€ '000		€ '000	
Maturity	Group	Bank	Group	Bank
- Up to 3 months	493,893	579,972	863,960	830,804
- Over 3 months and up to 1 year	113,666	77,610	16,227	49,924
- Over 1 year and up to 5 years	6,800	197,500	5,994	-
Total	614,359	855,082	886,181	880,728

The consolidated balances include amounts due from related financial institutions totalling € 29.4 mil (2003: € 10.1 mil) and pledged deposits with foreign banks amounting to € 218.9 mil (2003: € 189.2 mil).

The Bank's balances include amounts due from connected and related financial institutions totaling € 386.1 mil (2003: € 150.4 mil) and pledged deposits with foreign banks amounting to € 220.2 mil (2003: € 189.2 mil).

2. Loans and advances to customers

	2004		2003	
	€ '000		€ '000	
Maturity	Group	Bank	Group	Bank
- Up to 3 months	2,924,187	2,403,530	2,551,820	2,415,532
- Over 3 months and up to 1 year	7,523,872	7,679,086	6,571,033	5,976,191
- Over 1 year and up to 5 years	4,619,045	4,092,827	3,138,589	2,678,936
- Over 5 years	5,983,955	5,591,052	4,543,205	4,311,746
	21,051,059	19,766,495	16,804,647	15,382,405
Minus: Provisions for doubtful debts	(552,738)	(507,219)	(471,660)	(431,077)
Total	20,498,321	19,259,276	16,332,987	14,951,328

The consolidated balances include amounts due from affiliated undertakings totaling € 7 mil (2003: € 36 mil).

The Bank's balances include amounts due from affiliated undertakings totaling € 1,295.4 mil (2003: € 378.7 mil).

The analysis of the group's customer loan portfolio by economic sector is set out below:

	2004	2003
	%	%
Government	1%	1%
Shipping	2%	2%
Construction	2%	2%
Manufacturing	14%	15%
Commerce and Services	34%	37%
Private individuals	45%	41%
Other	2%	2%
Total	100%	100%

The analysis of the group's customer loan portfolio by geographic sector is set out below:

	2004		2003	
	€ '000	%	€ '000	%
Greece	19,736,767	94%	16,021,019	95%
Other Western European countries	239,379	1%	175,482	1%
Other countries	1,074,913	5%	608,146	4%
Total	21,051,059	100%	16,804,647	100%

3. Debt securities including fixed income securities

	2004				2003			
	€ '000				€ '000			
	Group		Bank		Group		Bank	
	Carrying amount	Market value	Carrying amount	Market value	Carrying amount	Market value	Carrying amount	Market value
Listed on the Athens Stock Exchange	2,922,716	2,972,863	2,586,160	2,636,307	4,529,001	4,558,220	4,297,463	4,326,681
Listed on other stock exchanges	3,272,188	3,526,059	3,157,670	3,410,894	2,662,406	2,773,722	2,488,685	2,600,001
Unlisted	353,678	360,473	180,011	186,806	287,445	295,823	625,926	634,304
Total	6,548,582	6,859,395	5,923,841	6,234,007	7,478,852	7,627,765	7,412,074	7,560,986

The consolidated balances include:

- Pledged bonds with a total acquisition cost of € 209.3 mil (2003: € 423.6 mil) and unamortised premia totaling € 121.9 mil (2003: € 236 mil)

- Bonds amounting to € 1,193.2 mil (2003: € 1,264 mil) which mature within the next year

The Bank's balances include:

- Pledged bonds with a total acquisition cost of € 209.3 mil (2003: € 423.6 mil) and unamortized premia totaling € 96.3 mil (2003: € 234.5 mil).

- Bonds amounting to € 886 mil (2003: € 1,130 mil) which mature within the next year.

The fixed income securities of the Bank classified as trading are stated at their market values. Had these securities been valued at the lower of cost and market value on an aggregate basis (with the remaining debt securities portfolios), the carrying amount of "Bonds and other fixed income securities" in 2004 would be their acquisition cost and would, therefore, be reduced by € 4.9 mil, whereas in 2003 it would be reduced by € 0.8 mil.

4. Shares and other variable-yield securities

	2004				2003			
	€ '000				€ '000			
	Group		Bank		Group		Bank	
	Carrying amount	Market value	Carrying amount	Market value	Carrying amount	Market value	Carrying amount	Market value
Listed on the Athens Stock Exchange	194,197	218,236	120,369	144,408	222,759	277,908	201,363	256,512
Listed on other stock exchanges	75,625	75,768	74,208	74,351	76,976	78,414	76,717	78,155
Unlisted	122,809	114,514	102,162	93,866	122,342	110,802	109,181	97,641
Total	392,631	408,518	296,739	312,625	422,077	467,124	387,261	432,308

The equities portfolio of the Bank classified as trading is stated at market value. Had these equities been valued at the lower of cost and market value on an aggregate basis (with the remaining equities securities portfolio), the carrying amount of "Shares and other variable-yield securities" in 2004 would be their acquisition cost and would, therefore, be reduced by € 8.6 mil, whereas in 2003 it would be reduced by € 1 mil.

IV. Assets (Continued)

5. Participations in non-affiliated undertakings

5.1. Associated undertakings

Name	Paid-Up Share Capital	2004				2003			
		€ '000		€ '000		€ '000		€ '000	
		Group (%) holding	Net assets	Bank (%) holding	Book Value	Group (%) holding	Net assets	Bank (%) of participation	Book Value
ATHENS AIRPORT HOTEL COMPANY SA	16,090	20%	2,015	20%	3,255	20%	2,031	20%	3,255
TEFIN SA	4,395	50%	5,275	50%	2,201	50%	7,279	50%	2,201
Unitfinance SA	120	40%	(292)	40%	49	40%	(516)	40%	49
Eurobank Property Services (ex Kidon SA)	587	-	-	-	-	100%	753	100%	387
GLOBAL INVESTMENT FINANCE SA	1,487	50.0%	8,376	10%	145	50%	2,854	10%	145
GLOBAL FUNDS MANAGEMENT AEPY	1,500	44%	1,300	15%	135	44%	681	15%	135
ZINON AKINITA SA	3,600	25%	2,436	-	-	25%	2,088	-	-
The Greek Progress Fund SA	94,463	23%	29,072	23%	22,563	-	-	-	-
Dias SA	25,361	30%	9,358	30%	7,630	-	-	-	-
Global Finance International Ltd	10,000	CYP 50%	-	-	-	50%	4,155	-	-
Cardlink SA	100	50%	50	50%	50	-	-	-	-
Total			57,590		36,028		19,325		6,172

The above associated undertakings are accounted for in the consolidated financial statements using the equity method of accounting, except for Eurobank Property Services SA (ex Kydon SA) which was fully consolidated in 2004. The net equity of Global Finance International LTD of € 3,817 k, is included in the equity of its parent company (100%) Global Investment Finance SA for the year 2004.

5.2. Other undertakings

	2004				2003			
	€ '000		€ '000		€ '000		€ '000	
	Group (%) holding	Net assets	Bank (%) holding	Book Value	Group (%) holding	Net assets	Bank (%) holding	Book Value
KANTOR Management Consultants SA	19.50%	2,791	19.50%	2,791	19%	2,715	19%	2,715
The Greek Progress Fund	-	-	-	-	16%	14,575	16%	14,575
DIAS EEEEX	-	-	-	-	20%	4,644	20%	4,644
Dias Interbank Systems	10%	2,185	10%	2,185	10%	2,185	10%	2,185
LAMDA Development A.E.	10%	17,618	10%	17,618	12%	21,870	12%	21,870
Other undertakings	-	1	-	-	-	1	-	-
Total		22,595		22,594		45,990		45,989

Greek Progress Fund SA and Dias SA are consolidated under the equity method, due to changes in the percentage holding.

Total participations in non-affiliated undertakings	80,185	58,622	65,315	52,161
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Information with respect to participations in non affiliated undertakings (associated and other) is set out below:

ATHENS AIRPORT HOTEL COMPANY SA

The company was founded in 1999 in the municipality of Spata. The purpose of the company is to assign, construct and exploit the central hotel of the new international airport in Spata. The Bank participates in the company's share capital by 20.20%. The remaining shares are held by ALTE Constructions Company SA (30.3%), ACCOR SA (20.2%), Pallas Dynamiki SA (9.11%) and individuals (20.19%).

TEFIN SA

The company was founded in 1994, and is currently located in 455 Herakliou Ave. in the municipality of Heraklion, Attica. The purpose of the company is to import, trade and sell vehicles and machinery, in either cash or on credit, to merchants or consumers as well as to provide leasing facilities. The Bank participates in the company's share capital by 50%. The remaining 50% is held by TOYOTA Hellas SA.

Unitfinance SA

The company was founded on 27.5.2003 and is currently located at 455 Herakliou Ave., in the municipality of Heraklion, Attica. The purpose of the company is to promote banking products and services. The Bank participates in the company's share capital by 40%. The remaining 60% is held by INCHCAPE Overseas Investments B.V.

Global Investment Finance SA

The company was founded in 1991 in Athens. The purpose of the company is to manage investments in companies with significant growth potential as well as in companies involved in the development of new technologies in strategic sectors. The Bank owns 9.91% of the company's share capital, whereas "BERBERIS INVESTMENT LIMITED" participates by 39.94%. The remaining 50.15%, is held by Mr A. Plakopitas.

Global Fund Management AEPY

The company was founded in 2001 in Athens. The purpose of the company is to provide investment and other related services. The Bank owns 15% of the company's share capital, whereas "BERBERIS INVESTMENT LIMITED" owns 9.5% and " GLOBAL Investment Finance SA" owns 40%. The remaining 35.5% is held by Mr A.Plakopitas (25%) and other individuals (10.5%).

ZINON AKINITA SA

The company was founded in 2002 in Athens. The purpose of the company is to conduct all types of business in relation to real estate properties. EFG Eurobank Properties SA owns 50% of the company's share capital. The remaining 50% is held by REPEG HOLDING Company(Luxembourg).

Global Finance International LTD

The company was founded in 1997 in Nicosia, Cyprus. The purpose of the company is to provide investment and other related services. GLOBAL Investment Finance SA owns 100% of the company's share capital.

Cardlink SA

The company was founded in 2004 in Athens. The purpose of the company is the management, operation, maintenance and promotion of the commercial network transactions via electronic and other equipment, installed in companies or not, and any other relevant activity. The Bank holds 50% of the company's share capital. Alpha Bank holds the remaining 50% .

Kantor Management Consultants SA

The company was founded in 1993 in Athens and is located at 4 Vas. Sofias Ave. The purpose of the company is the provide consultancy services. The Bank owns 19,45% of the company's share capital. The remaining share capital is held by Mr K. Mitropoulos (23.55%), Mr K. Kastirnakis (23.55%), Mr X. Ntolkas (23.55%), and other individuals (9.90%).

The Greek Progress Fund SA

The company was founded in 1990 in Athens and is located at 10 Stadiou Str. The purpose of the company is to manage portfolios of securities in accordance with the requirements of law 608/1970 for investment companies and mutual funds. The Bank owns 22.70% of the company's share capital. The remaining 77.30% is widely held.

DIAS AEEEX

It was founded in 1991 in Athens and is located at 16 Voukourestiou Str. The purpose of the company is to manage securities portfolios in accordance with the requirements of law 608/1970 for investment companies and mutual funds. The Bank owns 29.76% of the company's share capital. The remaining 70.24% is widely held.

IV. ASSETS (Continued)

5.2. Other undertakings (Continued)

DIAS SA Interbank Systems

The company was founded in 1989 following the initiative of the "Association of Greek Banks" with the participation of 15 financial institutions. At present, 36 Banks participate in DIAS. The purpose of the company is to provide its members with services which contribute to the modernisation of banking transactions, to improve the quality of banking services and reduce the cost of transactions. The Bank owns 10.22% of the company's share capital.

LAMDA Development SA

The company was formed following the acquisition of "Christoforos D. Konstantinidis Construction Firm" in 1999 and is currently located at 16 Laodikias Str. in Athens. The purpose of the company is the purchase, manage and sell shares and share options of any type of entities and of any economic sector; to purchase, manage, develop, construct, use and sell any kind of real estate properties; to provide business administration services; to provide research services; to provide services with respect to the construction, supervision and management of construction works; to provide operational support services to enterprises of any economic sector, such as airports and air transports, transportation of goods, resorts, hotels, yaughting, shopping malls e.t.c. and any other related activities. The Bank owns 9.86% of the company's share capital.

6. Participations in affiliated undertakings

6.1 Subsidiary undertakings

a. Fully consolidated entities

Name	Paid-up share capital	2004			2003		
		€ '000			€ '000		
		Group (%) holding	Bank (%) holding	Book Value	Group (%) holding	Bank (%) holding	Book Value
EFG Insurance Services SA	300	100%	95%	1,321	90%	85%	1,905
EFG Private Bank (Luxembourg) S.A.	70,000	75%	75%	52,672	75%	75%	52,672
EFG Hellas P.L.C.	GBP 12,500	100%	100%	19	100%	100%	19
Eurobank Cards A.E.	3,082	100%	100%	5,587	100%	100%	5,587
EFG Eurobank Leasing SA & Ergoleasing SA	47,000	100%	100%	62,922	100%	100%	62,922
EFG Eurobank Securities SA	12,000	100%	100%	67,339	100%	100%	67,339
EFG Factors SA	13,500	100%	100%	14,869	100%	100%	8,869
EFG Eurobank Properties SA	14,991	50%	50%	18,474	50%	50%	18,474
EFG Property and Casualty Insurance SA	352	100%	100%	2,509	100%	100%	2,509
EFG Life Insurance SA	1,468	100%	100%	2,031	100%	100%	2,031
EFG Mutual Fund Management Co. SA	1,115	88%	50%	558	88%	50%	558
EFG Telesis Finance SA	15,807	100%	100%	18,922	100%	100%	18,922
EFG Business Services SA	3,816	100%	100%	3,815	100%	100%	3,815
OPEN 24 SA	2,989	100%	-	-	100%	-	-
Autorental SA	587	100%	25%	293	100%	25%	293
EFG Eurobank Ergasias International (C.I) Ltd.	15,602	100%	99%	15,448	100%	99%	15,448
TELESIS Direct SA	63	100%	100%	880	100%	100%	880
EFG Eurobank Asset Management SA	2,930	100%	100%	3,160	100%	100%	1,695
EFG Euroinvestment Development SA	29,300	-	-	-	51%	51%	14,943
EFG Business Exchanges SA	4,115	69%	64%	8,583	70%	65%	7,170
EFG Internet Services SA	4,403	100%	100%	4,403	100%	100%	4,403
Quality Management Services SA	294	-	-	-	100%	100%	221
Eurobank Properties Services SA (former Kydon SA)	587	100%	100%	387	-	-	-
ELDEPA	3,721	50%	-	-	50%	0%	-
HELLAS ON LINE SA	6,000	100%	100%	16,291	100%	100%	16,291
EFG HELLAS (Cayman Islands) Ltd	USD 15,000	100%	100%	17	100%	100%	17
Banc Post S.A.	ROL 3.250 billion	77%	77%	110,114	53%	53%	62,976
Bulgarian Retail Services S.A.	BGN 700,000	100%	-	-	100%	0%	-
EFG Eurobank AD BEOGRAD	CSD 1.489 mil	94%	94%	20,861	92%	92%	11,510
Alico CEH/Balkan Holdings Limited	USD 57,611.110	100%	100%	67,799	100%	100%	65,866
Bulgarian Post Bank AD	BGN 51.250.000	97%	-	-	92%	0%	-
BERBERIS INVESTMENT LTD (Guernsey)	USD 100.000	100%	100%	8,500	100%	100%	8,500
Eurocredit Retail Services Ltd (Cyprus)	512	100%	-	-	100%	0%	-
Euroline Retail Services AD (Serbia)	200	100%	-	-	-	-	-
Euroline Retail Service SA (Romania)	200	95%	-	-	-	-	-
EFG Leasing EAD (Bulgaria)	BGN 50.000	100%	100%	25	-	-	-
Intertrust Fund Management	1200	100%	100%	88,479	-	-	-
Total				596,278			455,835

IV. ASSETS (Continued)**6.1 Subsidiary undertakings (continued)****a. Fully consolidated entities (continued)**

The above entities are fully consolidated, except for: a) Quality Management Services which has been merged via absorption by EFG Eurobank SA on 25.5.2004, b) EFG Euroinvestment Development SA which has been liquidated.

Information with respect to participations in subsidiary undertakings is set out below:

EFG Insurance Services SA

The company was founded in Kallithea, 194 Sygrou Ave. The purpose of the company is to conduct insurance brokerage businesses and co-ordinate the promotion of insurance products through the Bank's network. On 01.04.2003, the company absorbed via merger Ergoinsurance Brokerage SA. On 7.7.2004 the Bank acquired 10% from N. Kanelopoulos - X. Adamantiadis General Insurance Co SA, and on 9.9.2004 the agreement dated 19.12.2003 for the acquisition of 25% from American Life Insurance Co was completed.

As a result, the bank holds 95% of the company's share capital and the Bank's subsidiary EFG Telesis Finance holds the remaining 5%.

EFG Private Bank (Luxembourg) S.A.

The bank was founded in 1986 in Luxembourg, 5 Rue Jean Monnet L-2018, P.O. Box 897, Luxembourg. EFG Private Bank (Luxembourg) SA offers a variety of financial services and conducts all types of banking activities. The bank is primarily involved in Private Banking, while offering support services for mutual funds. The minority interest of 25% is held by EFG Bank European Financial Group.

EFG Hellas P.L.C.

The company was founded in 1999 in London. The purpose of the company is to raise funds from capital markets, by issuing euro medium term notes (E.M.T.N.), for the purpose of financing the activities of EFG Eurobank Ergasias SA and its subsidiaries.

Eurobank Cards SA

The company was founded in 1997 in Athens, 13 Petmeza Str. The company is engaged in printing, promotion and management of credit cards, acts as intermediary in granting and supervising personal consumer loans from institutions holding the relevant permit and the development of related software and support systems.

EFG Eurobank Ergasias Leasing SA

The company was founded in 1991, in Athens, 40-44 Praxitelous Str. On 11.2.2002 the company absorbed via merger Ergasias Leasing SA. The company is engaged in real estate and equipment leases.

EFG Eurobank Securities SA

The company was founded in 1999 in Athens, 10 Fillelinon & 13 Xenofontos Str. On 30.11.2001 the company absorbed via merger Ergasias Securities SA and Telesis Securities SA. The purpose of the company is to perform stock and derivatives exchange transactions of all types, as well as to provide all primary and secondary investment services, in accordance with the prevailing rules and legislation.

EFG Factors A.E.

The company was founded in 1999 and is currently located in the municipality of Agia Paraskevi, 3 Kapodistriou Str. The purpose of the company is to provide factoring services in accordance with Law 1905/90, as enforced, as well as any other services allowable by law to factoring companies

EFG Eurobank Properties SA

The company was founded in 1952 and is currently located in 16 Laodikias Str., Athens. The purpose of the company is to invest in real estate properties, manage properties, perform valuations as well as brokerage. Minority interests of 49.9% are held by Lamda Development SA, which is controlled by the Latsis group, (29.9%) and R.E.I.B. Europe Investments Limited (20%), which is a member of Deutsche Bank Group. In December 2004, the company sold to Eurobank Properties Services SA the segment of properties and brokerage estimations.

EFG Property & Casualty Insurance Co. SA

The company was founded in 1987 in Kallithea, 194 Sygrou Ave. The purpose of the company is to provide general insurance services.

EFG Life Insurance SA

The company was founded in 1988 in Kallithea, 194 Sygrou Ave. The purpose of the company is to provide life insurance services.

EFG Mutual Fund Management SA

The company was founded in 1996 in Athens, 10 Stadiou Str. The company is exclusively involved in mutual funds management in accordance with the regulations of Law 1969/1991. The Bank owns 50% of the company's share capital, while the remaining 50% is owned by EFG Private Bank (Luxembourg) S.A.

EFG Telesis Finance SA

The company was founded in 2000 in Athens, 6 Othonos Str. On 31.12.2002 the company absorbed via merger Ergasias AEDAK, Telesis AEDAK and Ergofinance SA with a merger balance sheet date of 31.5.2002. The purpose of the company is to provide primary and secondary investment services, in accordance with the relevant legislation.

EFG Business Services A.E.

The company was founded in 2000 in Athens, 8-10 Tzireon Str., Athens. The purpose of the company is the set up systems and provide payroll and consulting services.

Open 24 SA

The company was founded in 2000 and is currently located in Kallithea, 188 Sygrou Ave. The purpose of the company is the promotion of and execution of sales of products and services on behalf of third parties, the provision of consulting and insurance advisory services. 100% of the company's share capital is owned by EFG Business Services A.E.

Autorental SA

The company was founded in 1998 and is currently located in Athens, 40-44 Praxitelous Str. The company is engaged in leasing, purchase and sale of vehicles and yachts. The Bank participates in the company's share capital by 25%, while EFG Telesis Finance SA owns the remaining 75%.

EFG Eurobank Ergasias SA International (C.I.) Ltd

The company was founded in 1998 in Guernsey of Channel Islands. The company is engaged in banking activities and the provision of investment services. The Bank participates in the company's share capital by 99%, while EFG Telesis Finance SA owns the remaining 1%.

TELESIS Direct SA

The company was founded in 1999 and is currently located in Athens, 10 Fillelinon Str & 13 Xenofontos Str. On 23.06.2003 the company was renamed to TELESIS Direct Consulting SA and its purpose is to provide consulting services to legal entities. In December 2004, the board of directors decided to initiate the process of the company's merger via absorption by EFG Eurobank Ergasias SA with merger balance sheet date of 31.12.2004.

EFG Eurobank Asset Management SA

The company was founded in 2000 and is currently located in Athens, 6 Othonos Str. The purpose of the company is to provide investment and other related services.

EFG Euroinvestment Development SA

The company was founded in April 2001 in Athens, 40-44 Praxitelous Str. The purpose of the company is to manage securities portfolios in accordance with the regulations of Law 1969/1991. The Bank owned 51% of its share capital in 2003. The minority interests belong to 94 individuals and legal entities, whose participations do not exceed 1% individually. On 31.3.2003, the Extraordinary General Meeting decided the dissolution and liquidation of the company. The liquidation has been completed on 18.3.2004.

Be-Business Exchanges SA

The company was founded in June 2001 in Athens, 16 Laodikias Str, Ilisia. The company is engaged in the field of electronic commerce via Internet. On 30.6.2004 the company absorbed via merger Be 4 Retail SA. The Bank participates in the company's share capital by 63.80%, while the Bank's subsidiary Hellas on Line SA participates by 4.86%. The minority interests belong by 20.05% to Vodafone SA, by 5.47% to Fourtis Trade SA, by 2.30% to Radio A. Korasidis SA, by 2.30% to Micromedia Britannica SA and by 1.22% to Logic Dis SA. On 29.12.2004, the Extraordinary General Meeting of the shareholders decided: a) the reduction of share capital by € 2.8 mil in order to offset equivalent losses by reducing the nominal value of shares, b) the increase of the share capital by € 2.2 mil with the issuance of 110.000 new shares with nominal value of € 10.

On completion of the respective increase, the participation percentages will be as follows: The Bank will participate in the company's share capital by 67.21% and the Bank's subsidiary Hellas On Line SA by 3.83%. The minority interests will belong to Vodafone SA by 20.04%, to Fourtis Trade SA by 4.31%, to Radio A. Korasidis SA by 1.81%, to Elephant SA (former Micromedia Britannica SA) by 1.31% and to Logic Dis SA by 0.9%.

EFG Internet Services SA

The company was founded in February 2001 in Athens, 16 Laodikias & 1-3 Nymfeou. The purpose of the company is to develop electronic commerce and electronic transactions systems.

Quality Management Services SA

The company was founded in May 2001 in Athens, Kallirois & Vouliagmenis Ave. The purpose of the company is to provide consulting services. In December 2003, the Bank acquired 24.5% holding from GRASS ROOTS GROUP PLC and 24.5% from TRADELINK SA and now owns 100% of the company's share capital. In addition, the process of merger via absorption of the company by the Bank commenced in December 2003 with a merger balance sheet date of 30.11.2003. The merger was completed on 25.5.2004.

Eurobank Properties Services SA (former Kydon SA)

The company was founded in 1985 and is located at 16 Laodikias in Athens. The purpose of the company is to act as intermediary in the formation of contract agreements buying, selling, exchanging, hiring real estates, technical studies and any other technical advice concerning real estate. In December 2004, the company bought from EFG Eurobank Properties SA the valuation of properties and brokerage services segment.

ELDEPA SA

The company was founded in 2000 in Athens, 16 Laodikias. The purpose of the company is to perform all types of international trade and commercial transactions, in general. EFG Eurobank Properties SA owns 100% of the company.

HELLAS ON LINE SA

The company was founded in 1993 and is currently located in 59-61 Agiou Konstantinou Str., in the municipality of Amarousio, Attica. The purpose of the company is to provide internet services to individuals and legal entities.

EFG HELLAS (Cayman Islands) Ltd

The company was founded in 2002 in Cayman Islands. The purpose of the company is to raise of funds from the capital markets, by issuing euro medium term notes (E.M.T.N.), for the purpose of financing the activities of EFG Eurobank Ergasias SA and its subsidiaries.

IV. ASSETS (continued)

Banc Post S.A.

Banc Post S.A. was founded in 1991 in Bucharest, Romania and has licence to perform all types of banking operations. In August 2004 EFG Eurobank Ergasias SA acquired through public offering an additional holding of 5.34% from the employees and retired personnel of Bank post SA and its holding increased to 58.59%. In December 2004 the following took place: a) Increase of share capital with pre-emption rights to existing shareholders, b) capitalization of subordinated loans convertible to shares. After the respective increase the bank holds 50.12%. Also the bank acquired 5.14% from SIF Muntenia and its participation percentage increased to 55.26%. Furthermore, the bank holds a put option on the participations of the following companies: a) 7.49% of General Electric Capital Corporation, b) 7.28% of European Bank for Reconstruction and development (EBRD), c) 7.28% of International Financial Corporation (IFC). Minority interests of 22.69% are held by other shareholders.

Bulgarian Retail Services S.A.

The company was founded in 2002 in Bulgaria. The purpose of the company is to provide consulting and other services that relate to the setup, organisation and management of companies which are engaged in consumer credit products; the collection of doubtful debts on behalf of financial institutions and the provision to the market of the relative know-how. 100% of the company is owned by Eurobank Cards SA.

EFG Eurobank AD BEOGRAD

EFG Eurobank A.D. BEOGRAD was founded in 1997 and has licence to perform all types of banking operations. An increase in share capital was completed in June 2004, where the Bank has exercised its pre-emption rights and also participated in the acquisition of any remaining undistributed shares. The Bank now holds 93.54% of the total number of shares. Specifically, EFG Eurobank Ergasias SA owns 93.87% of common shares and 10.42% of the preference shares. The remaining 6.13% of common and 89.58% of preference shares are held by other shareholders.

Alico CEH/Balkan Holdings Limited

The company was founded in 1998 in Nicosia, Cyprus. The company's primary activity is the participation in other undertakings. On 8.8.2004 the agreement dated 19.12.2003 for the acquisition of the remaining 50% of Alico CEH / Balcan Holdings Limited from American Life Insurance Co, was completed. The Bank now owns 100% of the company. The company participates by 96.74% in Bulgarian Post Bank AD.

Bulgarian Post Bank AD

Bulgarian Post Bank AD was founded in 1991 in Sofia, Bulgaria and has licence to perform all types of banking operations. The company's main shareholder was, in 2003, Alico CEH / Balkan Holdings Limited, which owned 91.71% of the share capital. On 7.6.2004 Alico CEH / Balkan Holdings Limited acquired an additional 5.03% of Post bank AD and currently participates in the bank's share capital by 96.74%.

BERBERIS INVESTMENT LTD (Guernsey)

The company is located on Channel Islands. The purpose of the company is to provide investment and other related services. The Bank holds 99.99% of the company's share capital, while the remaining 0.01% is owned by EFG Eurobank Ergasias A.E International (C.I.) Ltd.

Eurocredit Retail Services Ltd

The company was founded in 2003 in Cyprus. The purpose of the company is issue, cancel and administer credit cards, to grant and manage personal consumer loans either on its own behalf or acting as representative of another company or individual and the provide any other related services. 100% of the company is owned by Eurobank Cards SA.

Euroline Retail Services AD

The company was founded in 2004 in Beograd, Serbia. The main purpose of the company is to act as intermediary for the provision of consulting and management services in products of consumer credit. Eurobank Cards holds 80% of the company, Bank Post SA holds 19.96% and the remaining is held by individuals.

Euroline Retail Services SA

The company was founded in 2004 in Bucharest, Romania. The company is engaged in issuing, cancelling, and management of credit cards, involved in granting and supervising personal consumer loans and to provide relevant to the above services, in accordance with Romanian legislation CAEN Code 6522. Eurobank Cards SA holds 80%, Bank Post SA holds 19.96% and the remaining 0.04% is held by individuals.

EFG Leasing EAD

The company was founded in 2004 in Sofia, Bulgaria. The company is engaged in leasing of equipment and real estates.

INTERTRUST Mutual Funds Management

The company was founded in 1988 in Kalithea, 124-126 Sygrou Av. The sole purpose of the company is the management of mutual funds according to Law 1969/1991. On 25.10.2004 the Bank acquired from Eureko BV and Novabank SA 100% of the company's share capital.

b. Non consolidated undertakings

Name	2004				2003			
	€ '000				€ '000			
	Group		Bank		Group		bank	
(%) Holding	Book Value	(%) Holding	Book Value	(%) Holding	Book Value	(%) Holding	Book Value	
International Insurance Brokerage SA (Under liquidation)	100%	29	100%	29	100%	29	100%	29
Athens Insurance Brokerage Ltd (Under liquidation)	100%	-	100%	-	100%	-	100%	-
Security Services Systems Ltd (Under liquidation)	100%	-	100%	-	100%	-	100%	-
Hotels of Greece SA (Under liquidation)	75%	-	75%	-	75%	-	75%	-
Other	-	-	-	-	-	-	-	-
Total		29		29		29		29
Total participations in affiliated undertakings		29		596,307		29		455,864

The undertakings included in table b) are not consolidated either because their operations have ceased or because they are immaterial.

7. Intangible assets

Cost	2004				2004			
	€ '000				€ '000			
	Group		Bank		Group		Bank	
Set-up Costs	Fixed assets acquisition costs	Software	Total	Set-up Costs	Fixed assets acquisition costs	Software	Total	
Balance as at 1-1-2004	126,787	23,631	71,979	222,397	124,283	12,697	64,612	201,592
Transfers	(74)	440	1,067	1,433	(73)	441	970	1,338
Additions	40,991	280	15,210	56,481	37,607	43	11,192	48,842
Disposals and write-offs	(8,962)	(315)	(736)	(10,013)	(6,682)	(236)	(2)	(6,920)
Balance as at 31-12-2004	158,742	24,036	87,520	270,298	155,135	12,945	76,772	244,852
Accumulated depreciation								
Balance as at 1-1-2004	(58,045)	(16,690)	(46,838)	(121,573)	(56,165)	(9,959)	(42,762)	(108,886)
Transfers	390	(397)	(73)	(80)	392	(397)	(73)	(78)
Additions	(7)	(274)	(1,268)	(1,549)	-	-	-	-
Charge for the year	(25,520)	(3,171)	(11,389)	(40,080)	(24,080)	(1,398)	(9,809)	(35,287)
Disposals and write-offs	7,541	229	141	7,911	6,679	200	25	6,904
Balance as at 31-12-2004	(75,641)	(20,303)	(59,427)	(155,371)	(73,174)	(11,554)	(52,619)	(137,347)
Net book value as at 31-12-2004	83,101	3,734	28,093	114,927	81,961	1,391	24,153	107,505
Net book value as at 31-12-2003	68,742	6,941	25,141	100,824	68,118	2,738	21,850	92,706

During 2004, the Bank has effected a voluntary retirement scheme amounting to € 30.7 mil which has been capitalised in intangible assets. An amount of € 3.1 mil was amortised during the year.

IV. ASSETS (continued)

8. Tangible assets

	2004						
	€ '000 Group						
	Land	Buildings	Furniture and Equipment	Electronic equipment	Other	Fixed assets under construction	Total
<u>Cost</u>							
Balance as at 1-1-2004	68,665	439,805	154,097	168,733	11,258	59,180	901,738
Transfers	79	1,845	1,933	103	-	(3,806)	154
Additions	35,452	112,567	16,235	38,906	107	8,052	211,319
Disposals and write-offs	(251)	(24,037)	(55,040)	(39,859)	(310)	(51,104)	(170,601)
	5,814	7,078	-	-	-	-	12,892
Balance as at 31-12-2004	109,759	537,258	117,225	167,883	11,055	12,322	955,502
<u>Accumulated depreciation</u>							
Balance as at 1-1-2004	-	(139,831)	(89,403)	(116,108)	(2,839)	-	(348,181)
Transfers	-	(314)	(16)	(19)	-	-	(349)
Additions	-	(825)	(1,029)	(2,056)	(1,072)	-	(4,982)
Charge for the year	-	(22,527)	(16,062)	(19,383)	(142)	-	(58,114)
Disposals and write-offs	-	(33,578)	32,040	18,600	212	-	17,274
	-	(4,018)	-	-	-	-	(4,018)
Balance as at 31-12-2004	-	(201,093)	(74,470)	(118,966)	(3,841)	-	(398,370)
Net book value as at 31-12-2004	109,759	336,165	42,755	48,917	7,214	12,322	557,132
Net book value as at 31-12-2003	68,665	299,974	64,694	52,624	8,419	59,180	553,557

	2004						
	€ '000 Bank						
	Land	Buildings	Furniture and Equipment	Electronic equipment	Other	Fixed assets under construction	Total
<u>Cost</u>							
Balance as at 1-1-2004	39,970	238,596	88,608	106,281	244	7,451	481,150
Transfers	80	1,819	1,933	103	-	(3,807)	128
Additions	-	10,470	5,554	12,108	23	5,417	33,572
Disposals and write-offs	(251)	(3,450)	(1,521)	(2,730)	(39)	-	(7,991)
	5,427	6,669	-	-	-	-	12,096
Balance as at 31-12-2004	45,226	254,104	94,574	115,762	228	9,061	518,955
<u>Accumulated depreciation</u>							
Balance as at 1-1-2004	-	(109,484)	(56,091)	(75,980)	(141)	-	(241,696)
Transfers	-	(314)	(16)	(19)	-	-	(349)
Additions	-	-	-	-	-	-	-
Charge for the year	-	(15,671)	(9,507)	(13,484)	(28)	-	(38,690)
Disposals and write-offs	-	2,235	1,467	2,581	13	-	6,296
	-	(3,981)	-	-	-	-	(3,981)
Balance as at 31-12-2004	-	(127,215)	(64,147)	(86,902)	(156)	-	(278,420)
Net book value as at 31-12-2004	45,226	126,889	30,427	28,860	72	9,061	240,535
Net book value as at 31-12-2003	39,970	129,112	32,517	30,301	103	7,451	239,454

During 2004 the cost of land and buildings were revalued by € 12.1 mil and the accumulated depreciation by € 4 mil respectively as a result of L 2065/92. As a result of the revaluation, the annual depreciation charge was increased by € 0.3 mil.

9. Other assets

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Greek government	111,107	83,685	101,105	82,450
Reposessed properties	77,886	76,212	66,513	64,916
Amounts due from connected undertakings	-	-	-	4,174
Other	204,845	28,675	151,182	14,547
Total	393,838	188,572	318,800	166,087

Changes in reposessed properties during 2004 are shown below:

	2004				
	€ '000 Group				
	Land	Buildings	Furniture and Equipment	Prepayments	Total
<u>Cost</u>					
Balance as at 1-1-2004	34,129	32,120	409	3,083	69,741
Transfers	74	(849)	-	(331)	(1,106)
Additions	118	35	-	4,420	4,573
Disposals and write-offs	(1,139)	(1,628)	-	-	(2,767)
	6,735	3,812	-	-	10,547
Balance as at 31-12-2004	39,917	33,490	409	7,172	80,988
<u>Accumulated depreciation</u>					
Balance as at 1-1-2004	-	(3,215)	(13)	-	(3,228)
Transfers	-	357	-	-	357
Charge for the year	-	(138)	-	-	(138)
Disposals and write-offs	-	70	-	-	70
	-	(163)	-	-	(163)
Balance as at 31-12-2004	-	(3,089)	(13)	-	(3,102)
Net book value as at 31-12-2004	39,917	30,401	396	7,172	77,886
Net book value as at 31-12-2003	34,129	28,905	396	3,083	66,513

IV. ASSETS (continued)

9. Other assets (continued)

	2004				
	€ '000				
	Bank				
	Land	Buildings	Furniture and Equipment	Prepayments	Total
<u>Cost</u>					
Balance as at 1-1-2004	34,129	30,479	409	3,083	68,100
Transfers	74	(849)	-	(331)	(1,106)
Additions	118	-	-	4,420	4,538
Disposals and write-offs	(1,139)	(1,628)	-	-	(2,767)
	6,735	3,812	-	-	10,547
Balance as at 31-12-2004	<u>39,917</u>	<u>31,814</u>	<u>409</u>	<u>7,172</u>	<u>79,312</u>
<u>Accumulated depreciation</u>					
Balance as at 1-1-2004	-	(3,171)	(13)	-	(3,184)
Transfers	-	314	-	-	314
Charge for the year	-	(138)	-	-	(138)
Disposals and write-offs	-	70	-	-	70
	-	(162)	-	-	(162)
Balance as at 31-12-2004	-	(3,087)	(13)	-	(3,100)
Net book value as at 31-12-2004	<u>39,917</u>	<u>28,727</u>	<u>396</u>	<u>7,172</u>	<u>76,212</u>
Net book value as at 31-12-2003	<u>34,129</u>	<u>27,308</u>	<u>396</u>	<u>3,083</u>	<u>64,916</u>

During 2004 the cost of land and buildings were revalued by € 10.5 mil and the accumulated depreciation by € 0.1 mil respectively as a result of L 2065/92.

10. Prepaid expenses and accrued income

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Prepaid expenses	24,778	10,178	12,018	10,949
Accrued income	503,542	471,196	480,434	463,697
Debit differences from spot and forward transactions in foreign currency	116,046	115,376	70,415	69,693
Deferred tax	62,757	57,581	47,941	42,605
Total	<u>707,123</u>	<u>654,331</u>	<u>610,808</u>	<u>586,944</u>

Deferred tax is consistently calculated in accordance with International Financial Reporting Standards (IFRS). This tax will be off set against future income tax when the relevant timing differences are settled.

V. LIABILITIES

1. Due to Credit Institutions

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Maturity				
- Up to 3 months	4,863,532	4,941,387	5,074,327	5,184,000
- Over 3 months and up to 1 year	398,830	298,278	134,732	78,408
- Over 1 year and up to 5 years	2,431	-	15,150	15,150
Total	<u>5,264,793</u>	<u>5,239,665</u>	<u>5,224,209</u>	<u>5,277,558</u>

The consolidated balances include amounts due to affiliated financial institutions totaling € 28.7 mil. (2003: € 0.4 mil.).
The Bank's balances include amounts due to affiliated financial institutions totaling € 297.9 mil. (2003: € 240.7 mil.).

2. Due to customers

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Maturity				
<u>Deposits</u>				
- Up to 3 months	13,044,976	13,110,095	11,408,610	11,453,359
- Over 3 months and up to 1 year	865,870	1,215,557	1,118,994	802,601
- Over 1 year and up to 5 years	2,646,098	5,218,485	2,646,855	4,008,701
	191,616	378,270	-	-
	<u>16,748,560</u>	<u>19,922,407</u>	<u>15,174,459</u>	<u>16,264,661</u>
<u>Other liabilities</u>				
- Up to 3 months	1,456,963	1,328,353	2,131,341	2,078,129
- Over 3 months and up to 1 year	3,042	3,042	3,323	3,322
	<u>1,460,005</u>	<u>1,331,395</u>	<u>2,134,664</u>	<u>2,081,451</u>
Total	<u>18,208,565</u>	<u>21,253,802</u>	<u>17,309,123</u>	<u>18,346,112</u>

The consolidated balances include amounts due to affiliated undertakings totaling € 426.7 mil. (2003: € 50.2 mil.).
The Bank's balances include amounts due to affiliated undertakings totaling € 5,491.4 mil. (2003: € 2,764.2 mil.).

3. Liabilities evidenced by paper

2004	2003
€ '000	
Group	
<u>4,667,356</u>	<u>2,514,635</u>

As at 31.12.2004 EFG Hellas PLC had issued Euro Medium Term Notes (EMTN) with nominal value of € 270 mil due in 2005, € 865 mil due in 2006, € 230 mil due in 2007, € 500 mil due in 2008, € 875 mil due in 2009, € 27 mil due in 2011, € 30 mil due in 2014 and European Commercial Paper (ECP) with nominal value of € 1,679 mil due in 2005.

As at 31.12.2004 EFG HELLAS (Cayman Islands) Ltd. had issued Euro Medium Term Notes (EMTN) with nominal value of € 12 mil due in 2022 (callable in August 2007 or annually thereafter), € 52 mil (34.5 mil in USD) due in 2005, € 3.6 mil (in USD) due in 2006, € 10 mil due in 2007, € 103 mil (€ 22 mil in USD) due in 2009, € 129 mil (€ 18 mil in USD) due in 2011, € 76 mil (€ 46 mil in USD) due in 2014, € 15 mil (in USD) due in 2029 and € 20 mil due in 2023 (callable in October 2013 or annually thereafter).

On 31.12.2004, Bulgaria Post Bank issued bonds of nominal value € 6 mil due in 2005 and € 10 mil due in 2006.

V. LIABILITIES (continued)

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
4. Other Liabilities				
Greek government	185,712	131,630	115,814	95,697
Suppliers	106,086	65,282	90,579	77,733
Dividends payable	153,435	153,435	201,242	199,664
Amounts due to insurance organizations	12,005	9,417	10,807	8,630
Amounts due for share capital increase	-	-	2,655	2,655
Other	273,114	158,292	269,105	142,724
Total	730,352	518,056	690,202	527,103

The Board of Directors decision on 22.10.2004 approved the payment of an interim dividend of € 0.30 per share was distributed based on the net profits of the period 1.1. - 30.9.2004.

5. Accruals and deferred income

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Deferred income	24,371	12,644	8,927	5,157
Accrued expenses	252,845	243,459	211,895	209,995
Credit differences from spot and forward transactions in foreign currency	116,182	110,902	32,636	30,185
Total	393,398	367,005	253,458	245,337

6. Subordinated debt

2004	
€ '000	
Group	Bank
400,000	398,054
400,000	398,054

In June 2004, the Bank's subsidiary, EFG Hellas plc issued subordinated debt with 10 years duration and with premature call option after 5 years. The bonds bear floating rate equal to the quarterly Euribor plus 50 basis points for the first 5 years. The capital raised by EFG Hellas Plc amounting to € 398.1 mil, was deposited at EFG Eurobank Ergasias SA, with a 10 year agreement of forward subordinated deposits. The deposit cannot be prepaid. After the completion of 5 years from the first date of the deposit, the Bank has the right of early prepayment, provided that the Bank of Greece has permitted it.

7. Share capital and share premium account

7.1. Share capital and share premium account

	Share Capital	€ '000	Share Premium
Share capital on 31.12.2002 (313,500,885 common shares with nominal value of € 2.89 each)	906,017		598,553
19-5-2003 - EFG Eurobank Ergasias SA Issuance of 1,050,000 shares with nominal value of € 2.89 each via capitalization of 2002 retained earnings and distribution of bonus shares to staff by decision of the Annual General Meeting	3,034		-
11-11-2003 - EFG Eurobank Ergasias SA Completion of the merger of Investment Development SA with EFG Eurobank Ergasias SA with simultaneous change in the share capital and the nominal value of the Bank's shares from € 2.89 to € 2.95 each. Specifically, the following occurred: - Contribution of the share capital and share premium of Investment Development SA, after the deduction of the amount of share capital and premium which corresponds to 12,653,928 shares of Investment Development already held by EFG Eurobank Ergasias SA and 380,000 treasury shares of Investment Development SA which, therefore, are not exchangeable. - Reduction of EFG Eurobank Ergasias SA share capital by an amount equal to the total nominal value of 448,500 shares of EFG Eurobank Ergasias SA held by Investment Development SA, which are obligatorily cancellable - Reduction of EFG Eurobank Ergasias SA share capital by an amount equal to the nominal value of 2,088,749 EFG Eurobank Ergasias SA treasury shares due to their cancellation in order to avoid the increase of total number of shares after the merger. - Increase of share capital with an equivalent decrease of share premium due to rounding of the nominal value of shares. - Offset of merger difference against the share premium. - Offset of losses arising from the cancellation of 2,537,249 treasury shares against the share premium.	-		-
15-12-2003 - EFG Eurobank Ergasias SA Completion of the merger with Unit Bank SA, which is a wholly owned subsidiary and offset of the merger difference against the share premium.	-		(4,528)
17-12-2003 - EFG Eurobank Ergasias SA Issuance of 933,952 shares with nominal value of € 2.95 each to staff due to exercise of share options as follows: 32,110 shares at the price of € 13.46 per share, 148,321 shares at the price of € 7.96 per share, and 753,521 shares at the price of € 5.99 per share.	2,755		3,371
Ordinary share capital on 31.12.2003 (315,484,837 shares with nominal value of € 2.95)	930,680		561,661
5-4-2004 - EFG Eurobank Ergasias SA Issuance of 900,000 shares with nominal value of € 2.95 each via capitalization of 2003 retained earnings and distribution of bonus shares to staff by decision of the Annual General Meeting	2,655		-
5-4-2004 - EFG Eurobank Ergasias SA Cancellation of 6,000,000 treasury shares of € 2.95 each with an equivalent decrease of share capital, equivalent to the total nominal value, and covering the losses from the cancellation of shares with "Difference from premium to equity issuance", by decision of the Annual General Meeting.	(17,700)		(69,731)
29-11-2004 - EFG Eurobank Ergasias SA Issuance of 700,000 shares with nominal value of € 2.95 each via capitalization of previous years reserves and distribution of bonus shares to staff by decision of the first recurring Extraordinary General Meeting.	2,065		-
21-12-2004 - EFG Eurobank Ergasias SA Issuance of 2,924,700 shares with nominal value of € 2.95 each distributed to staff due to exercise of share options as follows: 3,946 shares at the price of € 7.97 per share, 67,901 shares at the price of € 6 per share, 1,350,933 shares at the price of € 5.51 per share, and 1,501,920 shares at the price of € 9.30 per share.	8,628		13,222
Ordinary share capital on 31.12.2004 (314,009,537 shares with nominal value of € 2.95)	926,328		505,152

V. LIABILITIES (continued)**7.2. Main shareholders**

The Bank's main shareholders are:

	No of Shares	Percentage
EFG Consolidated Holdings S.A.	117,653,468	37.5%
EFG Exchange Holdings Limited	12,070,422	3.9%
Other shareholders with less than 2% holdings	184,285,647	58.6%
	314,009,537	100.0%

7.3. Share Options

7.3.1 - Program (2002-2004). The Annual General Meeting of the shareholders on 15 May 2001 approved a stock options program to the members of the staff and management, employed by the Bank as at 31.12.2000, under the condition that will continue to provide their services to the Bank at the time the share options can be exercised. The stock options relate to 355,200 shares and can be exercised in December of years 2002 to 2004 at an exercise price of € 8 per share.

Following the decision of Annual General Meeting of 22.4.2002 to distribute bonus shares to staff, the Board of Directors decided on 7.11.2002, to adjust the number of unexercised options for the 2002-2004 program from 355,200 to 356,090 and the exercise price from € 8 to € 7.98. On 2.12.2002, stock options for 190,537 shares (listed in Athens Stock Exchange on 30.1.2003) were exercised.

Following the decision of the Annual General Meeting on 19.5.2003, to distribute bonus shares to staff, the Board of Directors decided on 13.11.2003, to adjust the number of unexercised options for the 2002-2004 program from 165,553 to 165,970 and the exercise price from € 7.98 to € 7.96. On 15.12.2003 stock options for 148,321 shares (listed in Athens Stock Exchange on 20.1.2004) were exercised. As a result, there are currently options for 17,649 shares, which can be exercised during December of 2004.

Following the decision of the Annual General Meeting on 5.4.2004, to distribute bonus shares to staff and cancellation of treasury shares, the Board of Directors decided on 15.11.2004 to adjust the number of unexercised options for the 2002-2004 program from 17,649 to 17,627 at the exercise price of € 7.97 per share. On 16.12.2004 stock options for 3,946 shares (listed in Athens Stock Exchange on 24.1.2005) were exercised. The unexercised options for 13,681 shares were cancelled due to lapse of the period within which they could be exercised.

7.3.2 - Program (2003-2005). The Annual General Meeting of the shareholders on 22 April 2002 approved a stock options scheme to members of the staff and the group's Boards of Directors, employed by the group as at 31.12.2001, under the condition that they will continue to provide their services to the group, at the time of the stock options can be exercised. The options relate to 860,000 shares and can be exercised in December of the years 2003 until 2005 at an exercise price of € 6 per share.

Following the decision of the Annual General Meeting of the shareholders on 19.5.2003 to distribute bonus shares to staff, the Board of Directors decided on 13.11.2003, to adjust the number of unexercised options of the 2003-2005 program from 860,000 to 861,436 and the exercise price from € 6 to € 5.99. On 15.12.2003 stock options for 753,521 shares (listed in Athens Stock Exchange on 20.1.2004) were exercised. As a result, there are currently options for 107,915 shares, which can be exercised in December of 2004 and 2005.

Following the decision of the Annual General Meeting of the shareholders on 5.4.2004 to distribute bonus shares to staff and cancellation of treasury shares, the Board of Directors decided on 15.11.2004, to adjust the number of unexercised options of the 2003-2005 program from 107,915 to 107,735 at the exercise price of € 6 per share. On 16.12.2004 stock options for 67,901 shares (listed in Athens Stock Exchange on 24.1.2005) were exercised. As a result, there are currently options for 39,834 shares, which can be exercised in December 2005.

7.3.3 - Program (2004-2006). The Annual General Meeting of the shareholders on 19 May 2003 approved a stock options scheme to members of the staff and the Boards of Directors of the group, under the condition that they will continue to provide their services to the group, at the time the options can be exercised. The options relate to 1,355,000 shares and can be exercised in December of 2004 to 2006 at an exercise price of € 5.5 per share.

Following the decision of the Annual General Meeting of the shareholders on 5.4.2004 to distribute bonus shares to staff and cancellation of treasury shares, the Board of Directors decided on 15.11.2004, to adjust the number of unexercised options of the 2004-2006 program from 1,355,000 to 1,352,541 at the exercise price of € 5.51 per share. On 16.12.2004 stock options for 1,350,933 shares (listed in Athens Stock Exchange on 24.1.2005) were exercised. As a result, there are currently options for 1,608 shares, which can be exercised in December of 2005 and 2006.

7.3.4 - Program (2003-2005). The Annual General Meeting of the shareholders on 5 April 2004 approved a stock options scheme to members of the staff and the Board of Directors, employed by the group as at 31.12.2003. The options relate to 1,550,000 shares and can be exercised in December of the years 2005 until 2007 at an exercise price of € 9 per share.

Following the decision of the first recurring Extraordinary General Meeting of the shareholders on 29.11.2004 the exercise period was extended by 1 year and a new price was set exclusively for the options that will be exercised during December 2004. Specifically, the beneficiaries were given the privilege to start exercising their options from December 2004 and therefore the price increased to € 9.30 per share. Except for this, the decision of Annual General Meeting still applies.

On 16.12.2004 stock options for 1,501,920 shares (listed in Athens Stock Exchange on 24.1.2005) were exercised. As a result, there are currently options for 48,080 shares, which can be exercised during December 2005, 2006 and 2007.

7.4. Treasury shares

In accordance with the provisions of article 16 § 5 of Companies Act 2190/1920, the Extraordinary General Meeting of the shareholders held on 14.9.2001 approved the purchase of up to 20,712,479 treasury shares, in addition to the shares that had already been purchased following the decision of the Annual General Meeting on 24.5.2000. The minimum purchase price was set at € 5 per share whereas the maximum purchase price was set at € 27.09 per share.

The Extraordinary General Meeting of the shareholders on 4.9.2002, approved the purchase of up to 31,331,034 treasury shares, taking into account shares in circulation as at 15.9.2002, which correspond to 10% of the total number of shares. The minimum purchase price was set at € 5 per share, while the maximum purchase price was set at € 27.09 per share.

The Extraordinary General Shareholders Meeting as at 11.9.2003, has approved the purchase of up to 31,455,088 treasury shares, that correspond to 10% of the total number of shares of the Bank, at the aforementioned date. The minimum purchase price was set at € 5 per share and the maximum purchase price was set at € 27.09 per share.

The Annual General Meeting of the shareholders on 5.4.2004, approved the purchase of treasury shares, which should not exceed 10% of the total number of shares in issue, taking into account shares that have been acquired and shares that have been sold or cancelled. The minimum purchase price was set at € 5 per share, while the maximum purchase price was set at € 27.09 per share.

During 2004, the Bank acquired 3,171,780 treasury shares, sold 6,400,00 and cancelled 6,000,000. As a result, the number of treasury shares that the Bank holds as at 31.12.2004 is 92,739 shares (2003: 9,320,959) that represent 0.029% (2003: 2.95%) of share capital. The average purchase price is € 16.54 per share (2003: € 13.74).

Treasury Shares are deducted from Shareholders Equity in accordance with IFRS whereas according to Companies Act 2190/1920 these should be disclosed as a separate category of "Assets".

The Group's treasury shares are analysed as follows:

<u>Company</u>	2004			2003		
	No of shares	€ '000 Book Value	Market value	No of shares	€ '000 Book Value	Market value
EFG Eurobank Ergasias SA	92,739	1,533	2,344	9,320,959	128,045	143,915
EFG Life Insurance SA	90,000	1,343	2,275	90,000	1,343	1,389
EFG Property and Casualty Insurance SA	4,160	149	105	4,160	149	64
Total	186,899	3,025	4,724	9,415,119	129,537	145,368

V. LIABILITIES (continued)

8. Consolidation differences

	2004	2003
	€ '000	
EFG Insurance Services SA	(720)	(1,451)
EFG Private Bank (Luxembourg) S.A.	889	889
EFG Eurobank Properties SA	(1,117)	(1,117)
EFG Property and Casualty Insurance SA	1,547	1,547
EFG Life Insurance SA	580	580
EFG Mutual Fund Management SA	(171)	(171)
EFG Eurobank Ergasias Leasing SA	(7,698)	(7,698)
EFG Eurobank Securities SA	(30,562)	(30,562)
Ergobank International Ltd	(1,306)	(1,306)
EFG Telesis Finance SA	(2,801)	(2,801)
TELESIS Direct Consulting SA	(148)	(148)
EFG HELLAS PLC	14	14
ELDEPA SA	(193)	(193)
Autorental SA	(99)	(99)
HELLAS ON LINE SA	(8,194)	(8,194)
Banc Post S.A.	(20,687)	(14,228)
Alico CEH/Balkan Holdings Limited	(8,863)	(7,942)
EFG Eurobank Asset Management SA	(196)	(196)
Bulgarian Post Bank AD	(21,408)	(21,737)
Be-Business Exchanges SA	121	(40)
Quality Management Services SA	-	(94)
BERBERIS INVESTMENT LTD (Guernsey)	(7,833)	(7,833)
EFG Hellas (Cayman Islands)	-	-
Intertrust Mutual Fund Management SA	(62,587)	-
Global Fund Management SA	20	20
Global Investment Finance SA	6,296	1,965
Global Finance International	-	4,331
EFG Eurobank AD BEOGRAD	310	861
Greek Progress Fund	5,160	-
Dias AEEX	1,398	-
Total	(158,248)	(95,603)

VI. PROFIT AND LOSS ACCOUNT

1. Provisions for loans and advances, contingent liabilities and commitments

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Provision for doubtful debts	197,759	190,020	142,646	136,418
Provision for general banking risks	7,424	7,364	7,053	7,053
Provision for staff indemnity	5,857	5,488	6,800	6,159
Other provisions	2,095	2,095	104	-
Total	213,135	204,967	156,603	149,630

2. Extraordinary income, expenses and profit/(loss)

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Extraordinary income	13,934	13,175	1,851	858
Extraordinary expenses	(20,970)	(13,405)	(13,441)	(11,993)
Extraordinary profit/(loss)	(7,855)	(8,101)	(499)	(578)
Total	(14,891)	(8,331)	(12,089)	(11,713)

VII. OFF BALANCE SHEET ITEMS

1. Contingent Liabilities from guarantees and contractual obligations

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Contingent Liabilities from guarantees and contractual obligations	37,846,983	37,689,546	24,557,298	24,588,150
Total	37,846,983	37,689,546	24,557,298	24,588,150

The above amounts include: a) letter of guarantee that the Bank issued in favor of EFG Ora Funding Limited, amounting to € 461 mil, for which the parent company of the Bank has guaranteed unconditionally and without the right of cancellation and b) letter of guarantee that the Bank issued in favor of EFG Ora Funding Limited II, amounting to € 355 mil, for which there is a pledged deposit of Private Financial Investment Holdings Limited.

2. Items in custody and safekeeping

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Beneficiaries of securities in custody	56,576,483	52,210,368	49,592,600	45,307,166
Other beneficiaries	657,671	269,742	277,049	276,969
Total	57,234,154	52,480,110	49,869,649	45,584,135

3. Commitments from bilateral agreements

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Forward contracts in foreign currencies	13,873,024	13,718,159	3,717,539	3,717,539
Forward securities transactions	9,033,404	8,739,271	4,647,238	4,647,238
Foreign currency swaps interest rate swaps and index options	576,516	155	4,873,385	4,168,361
Letters of credit	95,783	79,310	73,203	73,203
Other commitments from bilateral agreements	68,315	68,315	36,095	23,395
Total	23,647,042	22,605,210	13,347,460	12,629,736

4. Credit Memo Accounts

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Credit Memo Accounts	13,906,109	13,197,440	13,946,940	13,630,455

The above amounts include mortgage loans securitised of nominal value € 750 mil, which were securitised by the Bank in June 2004 (L 3156/2003), through the special purpose company "Themeleion Mortgage Finance plc" incorporated in London. The respective company is not connected with the Bank and therefore is not included in the consolidated financial statements. The securitization resulted in the reduction of the outstanding balance of mortgage loans by € 750 mil.

VIII. Assets and liabilities analysed in local and foreign currency

	2004		2003	
	€ '000		€ '000	
	Group	Bank	Group	Bank
Assets				
Balances in EUR	28,318,958	27,007,497	24,240,671	23,716,796
Foreign currency balances in EUR	3,619,771	2,765,358	3,789,245	2,497,734
Total	31,938,729	29,772,855	28,029,916	26,214,530
Liabilities				
Balances in EUR	28,653,262	27,836,882	25,304,075	24,625,209
Foreign currency balances in EUR	3,285,467	1,935,973	2,725,841	1,589,321
Total	31,938,729	29,772,855	28,029,916	26,214,530

IX. OTHER INFORMATION

1. Turnover by geographical sector

The majority of the Bank's and group's turnover in 2004 relates to activities carried out in Greece.

2. Average number of employees

The average number of employees of the Bank was 6,722 in 2004(2003: 6,876), while the average number of employees of the group (i.e. of the companies that are fully consolidated) in the same period was 13,720 (2003: 12,304).

3. Directors' remuneration

In 2004, the remuneration of management and directors amounted to € 5.4 mil. (2003: € 5.6 mil), of which € 0.7 mil. (2003: € 0.6) to non-executive members of the Board of Directors.

Of the aforementioned members, those who are actively involved in the bank's management owned as at 31.12.2004 762,410 of the Bank's shares (2003: 1,344,638 shares), 540,168 of the Bank's stock options (2003: 547,003) and exercised their stock options for 1,071,889 (2003: 566,607).

Members who were not actively involved in management owned as at 31.12.2004 555,349 of the Bank's shares (2003: 614,317 shares).

The total amount of loans granted by the Bank to members of management as at 31.12.2004 was € 6.2 mil.(2003: € 3.5 mil.)

4. Taxation issues

4.1. EFG Eurobank Ergasias SA

During 2003 a tax audit for the fiscal years 2000 and 2001 took place. The tax differences that arose were resolved via negotiated settlement.

4.2. TELESIS Investment Bank SA (Absorbed by EFG Eurobank Ergasias SA - Merger Balance Sheet of 31.12.2000).

The last regular tax audit was carried out in 2001 and covered the fiscal years from 1997 to 1998. The tax differences that arose were resolved via negotiated settlement.

4.3. TELESIS CAPITAL SA. (Absorbed by TELESIS Investment Bank SA-merger balance sheet of 10.4.2001)

The last regular tax audit was carried out in 1999 and covered the fiscal years from 1993 to 1998. The tax differences that arose were resolved via negotiated settlement. The period from 1.1.1999 until the merger balance sheet date (10.4.2001) on which it merged with Telesis Bank and Investment SA, was audited in November 2004 (L 3259/2004).

4.4. Ergoinvestment SA (Absorbed by EFG Eurobank Ergasias SA - merger balance sheet of 7.11.2002)

During 2003 the tax audit for the fiscal years 1999 up to 2001 took place. The tax differences that arose were resolved via negotiated settlement.

4.5 B42 (Absorbed by Τράπεζα EFG Eurobank Ergasias SA- merger balance sheet of 30.4.2003)

During 2002 the tax audit for the fiscal years 1993 up to 2000 took place. The tax differences that arose were resolved via negotiated settlement.

4.6 INVESTMENT DEVELOPMENT SA (Absorbed by EFG Eurobank Ergasias SA - merger balance sheet of 30.4.2003)

The last tax audit was carried out in 2003 and covered the fiscal years from 1992 up to 1997. No tax differences arose.

4.7 UNITBANK SA (Absorbed by EFG Eurobank Ergasias SA-merger balance sheet of 31.12.2002)

The company has not been audited by the tax authorities since its establishment in 2000 and up to the merger balance sheet date of 31.12.2002.

4.8 Quality Management Services SA (Absorbed by EFG Eurobank Ergasias - merger balance sheet of 30.11.2003)

The company has not been audited by the tax authorities since its establishment in 2001 and up to the merger balance sheet date of 30.11.2003.

5. Impact on financial statements due to application of IFRS for leasing companies

Due to the application of IFRS instead of the requirements of Companies Act 2190/1920 in the consolidation of leasing companies, amounts due from customers appear increased by € 918.4 mil and fixed assets appear equally reduced (2003: Amounts due from customers appear increased by € 678.7 mil and fixed assets appear equally reduced). In addition, net interest income appears increased by 50.8 mil. (2003: € 44.4 mil.), other operating income appears reduced by € 227.7 mil.(2003: € 188.9 mil) and depreciation charge appears reduced by € 177.0 mil. (2003: € 149.4 mil.).

Had these balances not been restated to comply with IFRS, current period's profit would be lower by € 6.1 million (2003: € 7.4 million).

6. Pending litigations

The Bank's management and its legal advisors believe that the outcome of the pending legal cases, will not have a material effect on the financial statements of the Bank.

7. Previous year's auditors

The 2003 financial statements of EFG Eurobank Ergasias SA had been audited by PricewaterhouseCoopers SA (Certified Auditors Accountants: Mr K. Riris and Mr A. Papageorgiou). The relevant audit reports have been provided and published.

8. Ultimate parent company

The ultimate parent company of the Bank is the Swiss financial institution "EFG BANK EUROPEAN FINANCIAL GROUP", located at 24 Quai du Seujet, 1211 Geneve 2, Switzerland. The financial statements of the Bank are included in the parent company's consolidated financial statements.

Athens, February 22, 2005

THE CHAIRMAN OF THE BOARD OF DIRECTORS

Xenophon C. Nickitas

THE CHIEF EXECUTIVE OFFICER

Nicholaos C. Nanopoulos

THE CHIEF FINANCIAL OFFICER

Paula N. Hadjisotiriou

THE CHIEF ACCOUNTANT

Dimitrios K. Mitrotolis

It is certified that the above notes to the accounts, comprising of 12 pages, are the ones referred to in the audit report dated 24 February, 2005.

The Certified Auditors Accountants

PricewaterhouseCoopers SA

Kyriakos Riris
SOEL Reg. No 12111

PRICEWATERHOUSECOOPERS 

Antonis Papageorgiou
SOEL Reg. No11691