

**EMPORIKI BANK – BULGARIA EAD
FINANCIAL STATEMENTS
31 DECEMBER 2010**

CONTENTS

I. Directors' report	1
II. Financial Statements	9
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in shareholder's equity	11
Cash flow statement	12
Notes to the financial statements	13 - 70

Directors' Report

The Management presents the Annual Directors' Report as of 31 December 2010.

I. MAIN ACTIVITIES OF THE BANK

General Information

Emporiki Bank - Bulgaria EAD is registered in Sofia and holds full banking license No 100-00501 issued on 18 November 1999 by the Bulgarian National Bank. Sole shareholder of the Bank is Emporiki Bank of Greece SA.

Emporiki Bank - Bulgaria was established in 1994 by the European Bank for Reconstruction and Development, several other Bulgarian banks and a number of physical persons. The first registration of the Bank was under the name "Bulgarian Investment Bank". In 1996 Commercial Bank of Greece (currently, Emporiki Bank of Greece, S.A.) acquired 17.67% of Bank's stocks, and later in 1998 increased its share to 86.33%. In 2003 Emporiki Bank of Greece acquired 100% of the Bank's capital. The name of the Bank was changed to "Emporiki Bank - Bulgaria EAD". In 2005 a two-level management system was introduced consisting of Supervisory and Management Boards.

In 2006 Emporiki Bank – Bulgaria became part of one of the world's largest financial institutions, Crédit Agricole, as in August 2006 Crédit Agricole successfully closed the deal and acquired 72% of the stocks of Emporiki Bank of Greece. In 2010 Crédit Agricole continued owes 91% of the stocks of Emporiki Bank of Greece.

The activity of Emporiki Bank - Bulgaria EAD is organized into the following main business lines:

- Retail Banking
- Corporate, Investment Banking and Project Finance
- Treasury
- Cross border business development with Crédit Agricole S.A. (CASA)

subsidiaries.

The Bank is acting also as an investment intermediary performing activities in compliance with Markets in Financial Instruments Directive (MiFID).

Business activity review of the year 2010

During 2010 Emporiki Bank Bulgaria continued to meet the challenges related to the high competition in the banking sector and low economic activity.

Retail Banking was working on smooth transition to the new core banking system, strict control on cost of risk and growth of some strategic target markets. In the beginning of the year the office network employees had undergone extensive training in the features of the new core banking system, procedures and their implication in the everyday office operations and customer service. The new core banking system was implemented in March, 2010 with minimal business disruption and close to zero customer churn.

In the first quarter, the first two Offices under the new Branch Model of Credit Agricole were opened to better service the customers from targeted segments organizing the working environment allowing a customer oriented approach of service. After the introduction of the new core banking system a new definition of the roles in the offices was done aiming at optimization of the resources in each office and increasing the sales potentials.

The business development in the area of individuals' banking was mainly in balanced growth in new sales of mortgage loans, where the Bank attracted about 5% of the new sales on the market with a product which was awarded as "The Product of the Year" in its category for 2010. The consumer loans were granted mainly on exceptional basis to customers with very much proven record, which led to a decrease of the portfolio due to the repayments of the old portfolio. The focus in the Small Business area was put on selective expansion of the loans extended to companies which have good business model, experience in their operations to be less prone to the affects of the crisis.

The Bank continued to develop relationships with large local corporations driving to conservative growth in corporate lending at improved profitability following reasonable re-pricing. The focus during 2010 was to keep the good quality of the credit portfolio and close monitored exposures, to increase customer base, the relations and secure customer loyalty. To increase number not only on credit but not credit customers, increase average balance on current accounts and thus benefit from the lower cost of funds. Customer number has increased. The Bank continued to develop synergies with Emporiki Greece, Credit Agricole SA, CA-CIB and worked closely with the International Division of Emporiki Greece in order to benefit from the synergies of the Group.

In February 2010 the Bank opened a Business Center in Russe, where medium size credit customers with turnover between EUR 1 million and EUR 5 million are to be served. This is the third business center opened in Bulgaria, after two operating in Sofia, opened at the beginning of 2009. The main target was to penetrate the SME market and continue gaining share by building quality credit portfolio with maximum diversification, getting to know better this segment of the market by keeping close contact with the clients, whilst at the same time the Bank applied aggressive pricing strategy by focusing on SME companies with growth potential operating in the industries resistant to the crisis. Close monitoring of the existing portfolio.

In 2010 Emporiki Bank Bulgaria sought to expand its positions of an active player at the Investment Banking market in Bulgaria, by offering wide portfolio of investment banking services, namely, Privatization Deals Consulting, Debt and Equity Private Placements, Initial Public Offerings. Initiated by Investment Banking a new "Bond loan" product has been approved, which allowed the Bank to conservatively increase the balance sheet volume with exposures to large "Blue chip" companies. Close monitoring and management of the existing syndicated loans portfolio.

Capital markets brokerage services continue to improve thanks to the group synergies. Emporiki Bank Bulgaria is aggressively offering opportunity to trade at international

markets through Group brokerage company Cheuvreux and through a bond trading desk of Calyon, London to large Bulgarian Institutional Investors.

Global financial trends in 2010 contributed positively to the local liquidity environment and Bank's ability to support growth in asset portfolio. Debt crisis with peripheral EUR countries did not affect Bank's capability to finance the commercial operations and did not disrupt normal business activity. Solid support from Credit Agricole / Emporiki Group was transferred into improved business operations and posed no constraints in loan growth, despite of the still weak economic conditions.

The Bank actively participated in the local Money Market with prevailing deals in BGN to support its financing needs in local currency short term funds and the structural liquidity of the Bank was managed adequately to cover commercial needs and has been in line with the Centralized Liquidity Policy introduced by Credit Agricole / Emporiki Group.

The Bank increased significantly its customer FX turnover by providing competitive and adequate treasury services. The Bank also successfully boosted FX profitability by execution of FX swap deals for capital management purposes.

Financial figures for the year 2010

The financial statements of the Bank are prepared in accordance with the International Financial Reporting Standards as adopted in the EU (IFRS).

The total assets of Emporiki Bank Bulgaria as at 31 December 2010 have reached BGN 559million.

At the year end the Bank's lending portfolio before provisions was amounting to BGN 444million. The main increase is in small and medium client's lending (32%) and in mortgage lending (22%). In 2010 the customer deposits grew by 43% and reached BGN 198 million.

As at the end of the year the net interest income grew to BGN 22million (39%) mainly due to the increase (8%) in the loan related interest income and significant decrease in interest expenses by 26%.

The Bank's total revenue grew by BGN 8million (45%) and as at 31 December 2010 and reached BGN 25million. The operating expenses reached BGN 21 million increasing by 5% during the year from BGN 20 million.

The Bank's loss after provisions and tax is circa BGN 7 million as at 31 December 2010.

Emporiki Bank - Bulgaria does not have any subsidiaries as at 31 December 2010 and, therefore, no consolidated financial statements are prepared at this entity level.

Financial instruments and financial risks

By their nature the Bank's activities are principally related to the use of financial instruments including derivatives. The Bank accepts deposits from customers, at both fixed and floating rates, and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Bank seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The Bank also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers within a range of credit standing. Such exposures include both on-balance sheet loans and advances and off-balance sheet guarantees and other commitments such as letters of credit.

The most important types of risk are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and other price risk.

The credit risk is the risk that counterparties will be unable to pay amounts in full when due. Credit exposures arise principally in loans and advances and loan commitments. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and the geographical and industry segments. Such risks are monitored regularly.

The Bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

The factors that generate market risk are the interest rate risk, foreign exchange risk and the equity price risk.

The interest rate risk is the risk of potential loss from adverse changes in interest rates. These include repricing risk, yield curve risk, basis risk, spread risk, volatility risk.

The foreign exchange risk is the risk of potential loss from adverse changes in foreign currency exchange rates, against the base currency. It includes outright risk, volatility risk and conversion risk.

The equity price risk is the risk of potential loss from adverse changes in equity prices. It includes outright risk, volatility risk and other risks, spread risk, dividend risk.

Liquidity Gap Report

Growth in the asset base was successfully accompanied by an increase in financing capabilities of the Bank, both from domestic and international markets and institutional customers. The still challenging financial environment in 2010, after the most severe financial crisis in decades on the international markets, did not disrupt normal operational

