



EFG EUROBANK ERGASIAS S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

31 MARCH 2008

8 Othonos Street, Athens 105 57, Greece
www.eurobank.gr, Tel.: (+30) 210 333 7000
Company Registration No: 6068/06/B/86/07

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	Three months ended	
	31 March	
	2008	2007
	€ million	€ million
Net interest income	408	343
Net banking fee and commission income	58	58
Income from non banking services	1	1
Dividend income	84	7
Net trading income/(loss)	(80)	14
Gains less losses from investment securities	37	34
Other operating income	11	1
Operating income	519	458
Operating expenses	(226)	(186)
Impairment losses on loans and advances	(100)	(82)
Profit before tax	193	190
Income tax expense	(21)	(39)
Net profit for the period attributable to shareholders	172	151

Note	31 March 2008 €million	31 December 2007 € million
ASSETS		
	1,242	1,259
Cash and balances with central bank		
Loans and advances to banks	18,918	16,545
Financial instruments at fair value through profit or loss	1,091	485
Derivative financial instruments	976	797
Loans and advances to customers	39,474	37,235
Available-for-sale investment securities	8,568	9,355
Held-to-maturity investment securities	833	-
Investments in subsidiary undertakings	1,858	1,810
Investments in associated undertakings	28	27
Property, plant and equipment	404	406
Intangible assets	65	65
Other assets	413	288
Total assets	73,870	68,272
LIABILITIES		
	7,148	5,539
Due to other banks		
Repurchase agreements with banks	9,011	9,761
Derivative financial instruments	1,144	935
Due to customers	42,500	38,939
Other borrowed funds	6 8,841	7,919
Other liabilities	722	492
Total liabilities	69,366	63,585
EQUITY		
	7 1,414	1,434
Share capital		
Share premium	7 1,218	1,340
Other reserves	1,112	1,136
Ordinary shareholders' equity	3,744	3,910
Hybrid capital	9 760	777
Total	4,504	4,687
Total equity and liabilities	73,870	68,272

Notes on pages 7 to 10 form an integral part of these condensed interim financial statements

	Attributable to ordinary shareholders of the Bank					Hybrid capital €million	Total €million
	Share capital	Share premium	Special reserves	Retained earnings	Total		
	€million	€million	€million	€million	€million		
Balance at 1 January 2007	1,243	183	771	179	2,376	786	3,162
Cash flow hedges							
- net changes in fair value, net of tax	-	-	0	-	0	-	0
- transfer to net profit, net of tax	-	-	(0)	-	(0)	-	(0)
Available-for-sale securities							
- net changes in fair value, net of tax							
• bonds	-	-	(8)	-	(8)	-	(8)
• equities and equivalents	-	-	35	-	35	-	35
- transfer to net profit on disposal, net of tax							
• bonds	-	-	(3)	-	(3)	-	(3)
• equities and equivalents	-	-	(30)	-	(30)	-	(30)
- transfer to net profit from fair value hedges, net of tax							
• bonds	-	-	14	-	14	-	14
Net income/(expense) recognised directly in equity	-	-	8	-	8	-	8
Profit for the period	-	-	-	151	151	-	151
Total recognised income for the three months ended 31 March 2007	-	-	8	151	159	-	159
Purchase of hybrid capital	-	-	-	-	-	(4)	(4)
Sale of hybrid capital	-	-	-	-	-	3	3
Hybrid capital's dividend paid	-	-	-	(16)	(16)	-	(16)
Employee share option scheme:							
- Value of employee services	-	-	2	-	2	-	2
Purchase of treasury shares	(6)	(45)	-	-	(51)	-	(51)
Sale of treasury shares	25	159	33	-	217	-	217
	19	114	35	(16)	152	(1)	151
Balance at 31 March 2007	1,262	297	814	314	2,687	785	3,472
Balance at 1 January 2008	1,434	1,340	901	235	3,910	777	4,687
Cash flow hedges							
- net changes in fair value, net of tax	-	-	(15)	-	(15)	-	(15)
- transfer to net profit, net of tax	-	-	(2)	-	(2)	-	(2)
Available-for-sale securities							
- net changes in fair value, net of tax							
• bonds	-	-	15	-	15	-	15
• equities and equivalents	-	-	(87)	-	(87)	-	(87)
- transfer to net profit on disposal, net of tax							
• bonds	-	-	(18)	-	(18)	-	(18)
• equities and equivalents	-	-	(10)	-	(10)	-	(10)
- transfer to net profit from fair value hedges, net of tax							
• bonds	-	-	(70)	-	(70)	-	(70)
Currency translation differences	-	-	-	(1)	(1)	-	(1)
Net income/(expense) recognised directly in equity	-	-	(187)	(1)	(188)	-	(188)
Profit for the period	-	-	-	172	172	-	172
Total recognised income for the three months ended 31 March 2008	-	-	(187)	171	(16)	-	(16)
Purchase of hybrid capital	-	-	-	-	-	(18)	(18)
Sale of hybrid capital	-	-	-	-	-	1	1
Hybrid capital's dividend paid	-	-	-	(11)	(11)	-	(11)
Employee share option scheme:							
- Value of employee services	-	-	3	-	3	-	3
Purchase of treasury shares	(20)	(122)	-	-	(142)	-	(142)
	(20)	(122)	3	(11)	(150)	(17)	(167)
Balance at 31 March 2008	1,414	1,218	717	395	3,744	760	4,504
	Note 7	Note 7				Note 9	

Notes on pages 7 to 10 form an integral part of these condensed interim financial statements

	Three months ended	
	31 March	
Note	2008	2007
	€ million	€ million
Cash flows from operating activities		
Interest received and net trading receipts	864	775
Interest paid	(689)	(498)
Fees and commissions received	120	64
Fees and commissions paid	(65)	(17)
Other income received	8	2
Cash payments to employees and suppliers	(147)	(137)
Cash flows from operating profits before changes in operating assets and liabilities	91	189
Changes in operating assets and liabilities		
Net (increase)/decrease in cash and balances with central bank	10	(4)
Net (increase)/decrease in financial instruments at fair value through profit or loss	(489)	39
Net (increase)/decrease in loans and advances to banks	(1,433)	(596)
Net (increase)/decrease in loans and advances to customers	(2,083)	(965)
Net (increase)/decrease in derivative financial instruments assets	33	285
Net (increase)/decrease in other assets	54	13
Net increase/(decrease) in due to other banks and repurchase agreements	1,450	(754)
Net increase/(decrease) in due to customers	3,403	2,817
Net increase/(decrease) in derivative financial instruments liabilities	(82)	(269)
Net increase/(decrease) in other liabilities	(485)	(270)
Net cash from operating activities	469	485
Cash flows from investing activities		
Purchases of property, plant and equipment	(16)	(20)
Proceeds from sale of property, plant and equipment	1	1
Purchases of available-for-sale investment securities	(1,386)	(1,815)
Proceeds from sale of available-for-sale investment securities	2,025	1,951
Purchases of held-to-maturity investment securities	(823)	-
Acquisition of subsidiary undertakings	(48)	(2)
Proceeds from sale of associated undertakings	5	-
Dividends from investment securities and associated undertakings	7	1
Net cash used in investing activities	(235)	116
Cash flows from financing activities		
Proceeds from other borrowed funds	6 1,040	-
Repayments of other borrowed funds	6 (119)	(278)
Purchases of hybrid capital	9 (18)	(4)
Proceeds from sale of hybrid capital	9 1	3
Hybrid capital's dividend paid	(11)	(16)
Purchases of treasury shares	(142)	(51)
Proceeds from sale of treasury shares	-	217
Net cash from financing activities	751	(129)
Net increase/(decrease) in cash and cash equivalents	985	472
Cash and cash equivalents at beginning of period	13,025	4,835
Cash and cash equivalents at end of period	14,010	5,307

Notes on pages 7 to 10 form an integral part of these condensed interim financial statements

1. General information

EFG Eurobank Ergasias S.A. (the "Company" or the "Bank") is active in retail, corporate and private banking, asset management, treasury, capital markets and other services. The Company is incorporated in Greece and its shares are listed on the Athens Stock Exchange. The Bank operates mainly in Greece and in Central, Eastern and Southeastern Europe (New Europe).

These condensed interim financial statements were approved by the Board of Directors on 5 May 2008.

2. Basis of preparation of condensed interim financial statements

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and they should be read in conjunction with the Bank's published annual financial statements for the year ended 31 December 2007. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period. Except as indicated, financial information presented in euro has been rounded to the nearest million.

These condensed interim financial statements are the separate statements of the Bank prepared in accordance with the requirements of Capital Market Commission. The Bank prepares also consolidated financial statements which include the financial statements of the Bank and its subsidiaries.

3. Principal accounting policies

The same accounting policies and methods of computation are followed in these condensed interim financial statements as those in the published annual financial statements for the year ended 31 December 2007.

4. Critical accounting estimates and judgements in applying accounting policies

In preparing these condensed interim financial statements, the significant judgements made by Management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those applied to the published annual financial statements for the year ended 31 December 2007.

5. Investments in subsidiary undertakings**(a) Eurobank EFG Stedionica a.d. Beograd**

In January 2008, the Bank decreased its participation in Eurobank EFG Stedionica a.d. Beograd to 58.26% from 73.95%.

(b) EFG Leasing IFN S.A., Bucharest

In February 2008, the Bank decreased its participation in EFG Leasing IFN S.A. to 7.79% from 99.92%.

(c) Eurobank EFG Cyprus Ltd

In February 2008, the Central Bank of Cyprus approved the conversion of the Cyprus branch into a subsidiary. The conversion was completed in March 2008 and the Bank's participation is 99.87%.

6. Other borrowed funds

During the three months ended 31 March 2008, the following new issues and repayments/repurchases of other borrowed funds took place :

	New issues €million	Repayments/ Repurchases €million
Securitised - floating rate	1,040	(119)
Total	1,040	(119)

In February 2008, the Bank proceeded with the securitisation of mortgage loans through the issuance of mortgage loans asset backed securities by Themeleon V Mortgage Finance PLC, a special purpose entity.

7. Ordinary share capital, share premium and treasury shares

The par value of the Bank's shares is € 2.75 per share. All shares are fully paid. The movement of share capital, share premium and treasury shares is as follows:

	Ordinary share capital €million	Treasury shares €million	Net €million	Share premium €million	Treasury shares €million	Net €million
At 1 January 2008	1,443	(9)	1,434	1,412	(72)	1,340
Purchase of treasury shares	-	(20)	(20)	-	(122)	(122)
At 31 March 2008	1,443	(29)	1,414	1,412	(194)	1,218

	Number of shares		
	Issued	Treasury shares	Net
At 1 January 2008	524,945,638	(3,431,626)	521,514,012
Purchase of treasury shares	-	(7,345,759)	(7,345,759)
At 31 March 2008	524,945,638	(10,777,385)	514,168,253

Post balance sheet events

In April 2008, the Annual General Meeting and the Repeat Annual General Meeting approved the following:

- the acquisition of treasury shares for up to 5% of the Bank's total shares in issue at any time, through the establishment of a share acquisition program in order to optimise on a medium and long term basis the Bank's equity, profits per share, dividends per share and capital adequacy ratios, as well as for use in a possible acquisition. The program expires in twenty four months (April 2010); the shares may be acquired within the price range of the nominal value (currently € 2.75) and € 34 per share.
- the distribution of 1,400,000 free shares to employees in May 2008.
- the increase of the share capital of the Bank by up to € 42 million through the reinvestment of the final dividend for the year 2007 and up to € 70 million through the reinvestment of dividends for the year 2008. The final dividend for the year 2007 will be paid on 12 May 2008.
- the formation of a special reserve of € 3.3 million to enable the 2010 Annual General Meeting to distribute up to 1,200,000 free shares to strong performers among employees. The distribution will be possible only if profitability targets set for 3 years are met or exceeded.

8. Share options

The Bank grants share options to executive directors, management and employees. All options are equity-settled and may be exercised wholly or partly at their owners' option provided that the vesting requirements are met.

Within the umbrella share options programme approved by the Annual General Meeting in April 2006, the Board of Directors will issue stock options on 2,600,000 shares to executive directors, management and employees with a strike price of € 10 per share. The options may be exercised from December 2010 to December 2013 only if the holders are still employed by the Bank.

9. Hybrid capital

The movement of hybrid capital issued by the Bank through its Special Purpose Entity, EFG Hellas Funding Limited, is as follows:

	Series A €million	Series B €million	Series C €million	Total €million
At 1 January 2008	184	397	196	777
Purchase of hybrid capital	(17)	-	(1)	(18)
Sale of hybrid capital	0	-	1	1
At 31 March 2008	167	397	196	760

The rate of hybrid capital for the Tier 1 Issue series A has been determined to 4.45% for the period March 18, 2008 to March 17, 2009.

As at 31 March 2008, the dividend attributable to hybrid capital holders amounted to € 9.4 million (31 March 2007: € 10.5 million).

10. Contingent liabilities and capital expenditure commitments

As at 31 March 2008 the Bank's contingent liabilities in terms of guarantees and standby letters of credit amounted to € 21,883 million (31 December 2007: € 21,482 million) and the Bank's documentary credits amounted to € 71 million (31 December 2007: € 67 million).

The Bank's capital commitments in terms of property, plant and equipment amounted to € 10 million (31 December 2007: € 7 million).

11. Post balance sheet events

Details of significant post balance sheet events are provided in the following notes:

Note 7 - Ordinary share capital, share premium and treasury shares
Note 13 - Dividends

12. Related party transactions

The Bank is a member of the EFG Group, which consists of banks and financial services companies, the ultimate parent company of which is EFG Bank European Financial Group, a credit institution based in Switzerland. All voting rights at the general meetings of EFG Bank European Financial Group are held by the Latsis family. The EFG Group controls 41.8% of the Bank. The remaining shares are held by institutional and retail investors.

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arms length basis. These include loans, deposits, letters of guarantee and derivatives. In addition, as part of its normal course of business in investment banking activities, the Bank at times may hold positions in debt and equity instruments of related parties. The volumes of related party transactions and outstanding balances at the period/year-end are as follows:

	31 March 2008			
	Subsidiaries	EFG Group	Key management	
			personnel	Other
€ million	€ million	€ million	€ million	
Loans and advances to banks	14,672	0	-	-
Financial instruments at fair value through profit or loss	783	-	-	-
Available-for-sale investment securities	219	61	-	30
Derivative financial instruments assets	163	-	-	-
Loans and advances to customers	1,758	89	19	42
Other assets	26	-	-	-
Due to other banks	5,597	108	-	-
Derivative financial instruments liabilities	21	-	2	-
Due to customers	16,531	258	57	63
Other borrowed funds	5,352	-	-	-
Other liabilities	29	1	-	-
Letters of guarantee issued	17,719	385	-	1
Letters of guarantee received	-	407	-	-
	three months ended 31 March 2008			
Net interest income/(expense)	(56)	(2)	(0)	0
Net banking fee and commission income/(expense)	(1)	0	-	0
Dividend income	79	-	-	-
Net trading income	0	-	-	-
Other operating income/(expense)	(6)	(1)	-	-
Impairment losses on loans and advances to customers	(3)	-	-	-
	31 December 2007			
Subsidiaries	EFG Group	Key management		Other
		personnel		
€ million	€ million	€ million	€ million	
Loans and advances to banks	12,420	-	-	-
Financial instruments at fair value through profit or loss	82	-	-	-
Available-for-sale investment securities	206	56	-	43
Derivative financial instruments assets	110	-	-	-
Loans and advances to customers	1,953	24	16	38
Other assets	32	-	-	-
Due to other banks	4,323	88	-	-
Derivative financial instruments liabilities	21	-	2	-
Due to customers	15,941	2	38	55
Other borrowed funds	4,278	-	-	-
Other liabilities	33	2	-	-
Letters of guarantee issued	17,562	385	-	1
Letters of guarantee received	-	407	-	-
	three months ended 31 March 2007			
Net interest income/(expense)	(83)	(6)	(0)	(0)
Net banking fee and commission income/(expense)	9	0	0	0
Dividend income	5	-	-	-
Net trading income	(0)	-	-	-
Other operating income/(expense)	(3)	(1)	-	-
Impairment losses on loans and advances to customers	(2)	-	-	-

12. Related party transactions (continued)

Key management personnel includes directors and key management personnel of the Bank and its parent, and their close family members.

In relation to the letters of guarantee issued to the Bank's subsidiaries, the Bank had received cash collateral € 13,663 million as at 31 March 2008 and € 13,709 million as at 31 December 2007, which is included in due to customers.

No provisions have been recognised in respect of loans given to related parties (2007: Nil)

Key management compensation (including directors)

Key management personnel are entitled to compensation in the form of short-term employee benefits totalling € 3.6 million (31 March 2007: € 3.2 million) out of which € 0.7 million (31 March 2007: € 1.1 million) are share-based payments, and in the form of long-term employee benefits totalling € 0.8 million (31 March 2007: € 0.7 million) out of which € 0.7 million (31 March 2007: € 0.6 million) are share-based payments.

13. Dividends

Final dividends are not accounted for until they have been ratified by the Annual General Meeting.

The Annual General Meeting on 8 April 2008 approved a total dividend in respect of 2007 of € 0.82 per share, amounting to € 425 million. An interim dividend of € 0.32 per share amounting to € 166 million had been paid in December 2007 in accordance with the decision of the Extraordinary General Meeting on 9 November 2007. The remaining final dividend of € 0.50 per share amounting to € 259 million will be paid in May 2008 and will be accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2008 to 30 June 2008.

Athens, 5 May 2008

Xenophon C. Nickitas
I.D. No Θ - 914611
CHAIRMAN OF THE BOARD OF DIRECTORS

Nicholas C. Nanopoulos
I.D. No Σ - 237468
CHIEF EXECUTIVE OFFICER

Paula Hadjisotiriou
I.D. No T - 005040
CHIEF FINANCIAL OFFICER

Harris V. Kokologiannis
I.D. No AE - 083615
HEAD OF GROUP FINANCIAL SERVICES