CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2005

EFG EUROBANK ERGASIAS SA

Consolidated Interim Condensed Financial Statements for the six months ended 30 June 2005

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Review report of the auditors

To the Shareholders of EFG EUROBANK ERGASIAS S.A.

We have reviewed the accompanying consolidated interim condensed financial statements of EFG EUROBANK ERGASIAS S.A. (the "Company") and its subsidiaries (the "Group"), for the six month period ended 30 June 2005. These consolidated interim condensed financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated interim condensed financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400, as required by the Greek Standards on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the consolidated interim condensed financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements of the Group have not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Athens, 10 August 2005

PRICEWATERHOUSECOOPERS

EFG EUROBANK ERGASIAS SA

Consolidated Interim Income Statements

	Note	Six months ended 30 June 2005 € million	Six months ended 30 June 2004 € million	Three months ended 30 June 2005 € million	Three months ended 30 June 2004 € million
Net interest income		**629**	509	**321**	263
Net banking fee and commission income		**179**	142	**90**	75
Net insurance income		**16**	11	**12**	7
Non banking services		**15**	12	**8**	6
Core income		**839**	674	**431**	351
Dividend income		**3**	5	**3**	4
Net trading income/(loss)		**11**	7	**4**	5
Gains less losses from other securities		**30**	32	**18**	15
Other operating income		**5**	4	**4**	3
		49	48	**29**	27
Operating income	5	**888**	722	**460**	378
Operating expenses		**(421)**	(379)	**(218)**	(193)
Impairment losses on loans and advances		**(153)**	(109)	**(82)**	(64)
Profit from operations	5	**314**	234	**160**	121
Share of results of associates before tax		**6**	2	**4**	1
Profit before tax	5	**320**	236	**164**	122
Income tax expense		**(92)**	(71)	**(47)**	(39)
Profit after tax		**228**	165	**117**	83
Minority interest		**(3)**	(4)	**(1)**	(2)
Net profit for the period attributable to shareholders		**225**	161	**116**	81

	Note	€	€	€	€
Earnings per share					
- basic	6	**0.72**	0.52	**0.37**	0.26
- diluted	6	**0.72**	0.52	**0.37**	0.26

The notes on pages 7 to 18 form an integral part of these consolidated interim condensed financial statements.

EFG EUROBANK ERGASIAS SA

Consolidated Interim Balance Sheet at 30 June 2005

	Note	30 June 2005 € million	31 December 2004 € million
ASSETS			
Cash and balances with central banks		**1,358**	1,510
Treasury bills and other eligible bills		**382**	514
Due from other banks		**2,660**	733
Trading securities		**1,032**	1,974
Derivative financial instruments		**198**	255
Loans and advances to customers		**24,138**	21,231
Available-for-sale investment securities		**7,799**	5,485
Investments in associated undertakings	8	**103**	57
Intangible assets		**98**	68
Property, plant and equipment		**734**	741
Other assets		**481**	478
Total assets		**38,983**	33,046
LIABILITIES			
Due to other banks		**9,246**	5,361
Derivative financial instruments		**632**	625
Due to customers		**17,601**	18,208
Liabilities evidenced by paper	9	**8,176**	5,771
Other liabilities		**894**	901
Total liabilities		**36,549**	30,866
EQUITY			
Share capital	10	**923**	926
Share premium	10	**480**	501
Other reserves		**764**	675
Total shareholders' equity		**2,167**	2,102
Minority interest		**267**	78
Total shareholders' equity and minority interest		**2,434**	2,180
Total equity and liabilities		**38,983**	33,046

The notes on pages 7 to 18 form an integral part of these consolidated interim condensed financial statements.

EFG EUROBANK ERGASIAS SA

Consolidated Interim Statement of Changes in Equity
for the six months ended 30 June 2005

	Attributable to equity holders of the Bank						
	Share capital € million	Share premium € million	Special reserves € million	Retained earnings € million	Total € million	Minority interest € million	Total € million
Balance at 1 January 2004	903	459	784	(193)	1,953	105	2,058
Cash flow hedges							
- net changes in fair value, net of tax	-	-	(7)	-	(7)	-	(7)
- transfer to net profit, net of tax	-	-	9	-	9	-	9
Available-for-sale securities							
- net changes in fair value, net of tax	-	-	18	-	18	-	18
- transfer to net profit, net of tax	-	-	(55)	-	(55)	-	(55)
Currency translation differences	-	-	2	-	2	-	2
Net income/(expense) recognised directly in equity	-	-	(33)	-	(33)	-	(33)
Profit for the period	-	-	-	161	161	4	165
Total recognised income for the six months ended 30 June 2004	-	-	(33)	161	128	4	132
Issue of share capital - capitalisation of retained earnings	3	-	-	(3)	-	-	-
Increase in Group's holding in subsidiaries	-	-	-	-	-	(20)	(20)
Minority's share of capital increase of subsidiaries	-	-	-	-	-	1	1
Dividend for 2003 (Note 17)	-	-	-	(185)	(185)	-	(185)
Dividend paid by subsidiaries attributable to minority interest	-	-	-	-	-	(2)	(2)
Purchase of treasury shares	(8)	(37)	-	-	(45)	-	(45)
Sale of treasury shares	14	53	8	-	75	-	75
	9	16	8	(188)	(155)	(21)	(176)
Balance at 30 June 2004	912	475	759	(220)	1,926	88	2,014
Balance at 1 January 2005	926	501	599	76	2,102	78	2,180
Cash flow hedges							
- net changes in fair value, net of tax	-	-	(11)	-	(11)	-	(11)
- transfer to net profit, net of tax	-	-	8	-	8	-	8
Available-for-sale securities							
- net changes in fair value, net of tax	-	-	37	-	37	-	37
- transfer to net profit, net of tax	-	-	(41)	-	(41)	-	(41)
- net changes in fair value, net of tax - associated undertakings	-	-	2	-	2	-	2
Net income/(expense) recognised directly in equity	-	-	(5)	-	(5)	-	(5)
Profit for the period	-	-	-	225	225	3	228
Total recognised income for the six months ended 30 June 2005	-	-	(5)	225	220	3	223
Minority's share of capital increase of subsidiaries	-	-	-	-	-	1	1
Issue of preferred securities (Note 12)	-	-	-	-	-	186	186
Recognition of share-based payment	-	-	1	-	1	-	1
Dividend for 2004 (Note 17)	-	-	-	(132)	(132)	-	(132)
Dividend paid by subsidiaries attributable to minority interest	-	-	-	-	-	(1)	(1)
Purchase of treasury shares (Note 10)	(4)	(28)	-	-	(32)	-	(32)
Sale of treasury shares (Note 10)	1	7	-	-	8	-	8
	(3)	(21)	1	(132)	(155)	186	31
Balance at 30 June 2005	**923**	**480**	**595**	**169**	**2,167**	**267**	**2,434**

The notes on pages 7 to 18 form an integral part of these consolidated interim condensed financial statements.

EFG EUROBANK ERGASIAS SA

Consolidated Interim Cash Flow Statement
for the six months ended 30 June 2005

	Note	Six months ended 30 June 2005 € million	Six months ended 30 June 2004 € million
Cash flows from operating activities			
Interest received and net trading receipts		**824**	771
Interest paid		**(368)**	(431)
Fee and commission received		**284**	247
Fee and commission paid		**(50)**	(14)
Dividend received		**3**	5
Other income received		**18**	14
Cash payments to employees and suppliers		**(312)**	(281)
Income taxes paid		**(151)**	(120)
Cash flows from operating profits before changes in operating assets and liabilities		**248**	191
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		**(80)**	(61)
Net (increase)/decrease in treasury bills and other eligible bills		**134**	(100)
Net (increase)/decrease in trading securities		**734**	808
Net (increase)/decrease in due from other banks		**(35)**	(20)
Net (increase)/decrease in loans and advances to customers		**(2,872)**	(2,626)
Net (increase)/decrease in other assets		**83**	89
Net increase/(decrease) in due to other banks		**3,882**	(289)
Net increase/(decrease) in due to customers		**(676)**	1,202
Net increase/(decrease) in other liabilities		**(216)**	1
Net cash from operating activities		**1,202**	(805)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(55)**	(28)
Proceeds from sale of property, plant and equipment		**9**	11
Purchases of available-for-sale investment securities		**(3,289)**	(1,416)
Proceeds from sale of available-for-sale investment securities		**1,337**	894
Proceeds from liquidation of subsidiary undertakings		**-**	15
Acquisition of subsidiary undertakings		**(23)**	(15)
Acquisition of associated undertakings		**(39)**	-
Dividend from associated undertakings		**-**	3
Net contributions by minority interest		**187**	(17)
Net cash from investing activities		**(1,873)**	(553)
Cash flows from financing activities			
Proceeds from liabilities evidenced by paper	9	**6,864**	5,512
Repayments of liabilities evidenced by paper	9	**(4,483)**	(3,434)
Dividends paid	17	**(132)**	(185)
Purchases of treasury shares		**(32)**	(45)
Proceeds from sale of treasury shares		**8**	75
Net cash from financing activities		**2,225**	1,923
Effect of exchange rate changes on cash and cash equivalents		**33**	3
Net increase/(decrease) in cash and cash equivalents		**1,587**	568
Cash and cash equivalents at beginning of period		**2,247**	2,646
Cash and cash equivalents at end of period		**3,834**	3,214

The notes on pages 7 to 18 form an integral part of these consolidated interim condensed financial statements.

1. General information

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

These consolidated interim condensed financial statements were approved by the Board of Directors on 9 August 2005.

2. Basis of preparation of consolidated interim condensed financial statements

These consolidated interim condensed 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 Group's published interim consolidated financial statements for the three months ended 31 March 2005 which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3. Principal accounting policies

The same accounting policies and methods of computation are followed in these consolidated interim condensed financial statements as those in the published consolidated interim financial statements for the three months ended 31 March 2005.

4. Transition to IFRS

4.1 Basis of transition to IFRS

The Group's basis of transition to IFRS is described in the Group's published consolidated interim financial statements for the three months ended 31 March 2005.

4.2 Reconciliations between IFRS and Greek GAAP

The reconciliations of consolidated shareholders' equity at 1 January 2004 and at 31 December 2004 and the reconciliation of consolidated profit for 2004 have been included in the published consolidated interim financial statements of the Group for the three months ended 31 March 2005.

The following reconciliations provide details of the impact of the transition to IFRS on:

- consolidated shareholders' equity at 30 June 2004 (Note 4.2.1),
- consolidated balance sheet at 30 June 2004 (Note 4.2.2),
- consolidated income statement for the three months ended 30 June 2004 (Note 4.2.3),
- consolidated income statement for the six months ended 30 June 2004 (Note 4.2.4), and
- consolidated cash flow statement for the six months ended 30 June 2004 (Note 4.2.5).

4.2.1 Summary impact on consolidated shareholders' equity of transition from Greek GAAP to IFRS

	30 June 2004 € million
Total consolidated shareholders' equity under Greek GAAP	1,987
Effect of fair valuation of available for sale investments net of deferred tax (IAS 39)	115
Effect of fair valuation of hedging derivatives and application of hedge accounting net of deferred tax (IAS 39)	(112)
Effect of application of effective interest method net of deferred tax (IAS 18 and IAS 39)	(19)
Effect of application of discounting of expected cash flows in determination of loan impairment net of deferred tax (IAS 39)	(33)
Effect of adjustments on tangible fixed assets net of deferred tax (IAS 16, IAS 17, IAS 36, IAS 40)	46
Additional employee benefit provisions for possible separations and for potential pension fund obligations net of deferred tax and cash profit distributions (IAS 19)	(49)
Cumulative impact of other items	(9)
Total consolidated shareholders' equity under IFRS	1,926

Major differences between Greek GAAP and IFRS which are relevant to the Group are analysed in sections 4.3 and 4.4.

4. Transition to IFRS (continued)

4.2 Reconciliations between IFRS and Greek GAAP (continued)

4.2.2 Consolidated balance sheet reconciliation at 30 June 2004

	Note 4.3.	GR GAAP € million	Transition Adjustments € million	IFRS € million
ASSETS				
Cash and balances with central banks	a	1,041	(7)	1,034
Due from other banks	b	1,776	496	2,272
Loans and advances to customers	c	18,103	1,061	19,164
Securities (excluding derivatives)	d	7,712	102	7,814
Investments in associated undertakings		20	(2)	18
Fixed assets (tangible and intangible excluding goodwill)	e	626	82	708
Other assets (including derivatives)	f	912	(243)	669
Total assets		30,190	1,489	31,679
LIABILITIES AND EQUITY				
Due to other banks	b	4,859	487	5,346
Due to customers	b	18,503	32	18,535
Liabilities evidenced by paper	g	3,828	736	4,564
Other liabilities (including derivatives)	h	909	311	1,220
Shareholders' equity	i	1,987	(61)	1,926
Minority interest	i	104	(16)	88
Total liabilities and equity		30,190	1,489	31,679

4.2.3 Consolidated income statement reconciliation for the three months ended 30 June 2004

	Note 4.4.	GR GAAP € million	Transition Adjustments € million	IFRS € million
Net interest income	a	252	11	263
Net banking fee and commission income	a	96	(21)	75
Net insurance income	b	-	7	7
Non banking services	b	-	6	6
Core income		348	3	351
Non core income	c	31	(4)	27
Operating income		379	(1)	378
Operating expenses	d	(188)	(5)	(193)
Impairment losses on loans and advances	e	(60)	(4)	(64)
Profit from operations		131	(10)	121
Share of results of associates before tax		-	1	1
Profit before tax		131	(9)	122
Income tax expense		(39)	-	(39)
Profit after tax		92	(9)	83
Minority interest		(1)	(1)	(2)
Net profit for the period attributable to shareholders		91	(10)	81

4. Transition to IFRS (continued)

4.2 Reconciliations between IFRS and Greek GAAP (continued)

4.2.4 Consolidated income statement reconciliation for the six months ended 30 June 2004

	Note 4.4.	GR GAAP € million	Transition Adjustments € million	IFRS € million
Net interest income	a	486	23	509
Net banking fee and commission income	a	180	(38)	142
Net insurance income	b	-	11	11
Non banking services	b	-	12	12
Core income		666	8	674
Non core income	c	61	(13)	48
Operating income		727	(5)	722
Operating expenses	d	(373)	(6)	(379)
Impairment losses on loans and advances	e	(98)	(11)	(109)
Profit from operations		256	(22)	234
Share of results of associates before tax		-	2	2
Profit before tax		256	(20)	236
Income tax expense		(73)	2	(71)
Profit after tax		183	(18)	165
Minority interest		(4)	-	(4)
Net profit for the period attributable to shareholders		179	(18)	161

4.2.5 Consolidated cash flow statement reconciliation for the six months ended 30 June 2004

	GR GAAP € million	Transition Adjustments € million	IFRS € million
Net cash from operating activities	157	(962)	(805)
Net cash from investing activities	(578)	25	(553)
Net cash from financing activities	1,152	771	1,923
Effect of exchange rate changes on cash and cash equivalents	-	3	3
Net increase/(decrease) in cash and cash equivalents	731	(163)	568
Cash and cash equivalents at beginning of period	2,085	561	2,646
Cash and cash equivalents at end of period	2,816	398	3,214

The main effects of the transition from GR GAAP to IFRS on the Group's consolidated cash flow statement are the following:

(1) Under GR GAAP cash and cash equivalents include cash and balances with central banks and balances due from other banks. Under IFRS cash and cash equivalents include cash and balances with central banks, treasury bills and other eligible bills, due from other banks and trading securities when they have less than 90 days maturity. These differences have affected the cash and cash equivalents at the beginning and end of the period and the net cash from operating activities.

(2) The cash flows under IFRS include the effects of consolidation of special purpose vehicles that were not consolidated under GR GAAP.

(3) The cash flows under IFRS reflect, where applicable, other reclassification and presentation differences in relation to the IFRS transition.

4.3 Explanation of adjustments to consolidated balance sheet items

The following analysis explains the material adjustments to consolidated balance sheet items.

(a) *Cash and balances with central banks*

The decrease in cash and balances with central banks under IFRS arose due to presentation differences.

(b) *Due from other banks, Due to other banks and Due to customers*

(1) Under Greek GAAP debt instruments were recognised when settled whereas the accounting policy adopted by the Group under IAS 39 is trade date accounting. The impact of adoption of IAS 39 resulted in the recognition of assets and liabilities based on trade date accounting.

(2) Under IFRS reclassifications have been performed for accrued interest and other presentation differences.

4. Transition to IFRS (continued)

4.3 Explanation of adjustments to consolidated balance sheet items (continued)

(c) ***Loans and advances to customers***

(1) In June 2004 the Group proceeded with the securitisation of mortgage loans. Under Greek GAAP securitised assets were removed from the balance sheet and securitisation vehicles were not consolidated. Under IAS 39, IAS 27 and SIC 12 securitisation vehicles were consolidated and the consolidation has resulted in an increase in loans and advances.

(2) Under IFRS reclassifications have been performed for accrued interest and other presentation differences.

(3) Under IAS 39 loan impairment is calculated based on loss events and discounted estimated recoverable net cash flows, which has resulted in a decrease in loans and advances.

(4) Under Greek GAAP debt instruments were recognised when settled whereas the accounting policy adopted by the Group under IAS 39 is trade date accounting. The impact of adoption of IAS 39 was an increase in loans and advances to customers as a result of the recognition of assets based on trade date accounting.

(d) ***Securities (excluding derivatives)***

(1) Under Greek GAAP the investment portfolio was carried at the lower of total cost/amortised cost and market value. Under IAS 39 the investment portfolio has been classified as available for sale securities which are measured at fair value with fair value gains and losses recorded in equity. This fair valuation has resulted in an increase in the value of available for sale securities. Under Greek GAAP the impairment policy of equity instruments was already aligned with IAS 39 requirements.

(2) Under IFRS reclassifications have been performed for accrued interest.

(e) ***Fixed assets (tangibles and intangibles excluding goodwill)***

Under Greek GAAP fixed assets were carried at cost less accumulated depreciation and depreciation was calculated using specified tax rates. There is also a legal requirement for revaluation of properties every four years based on tax values. Under IFRS properties that are held for own use have been classified as property, plant and equipment and are accounted for in accordance with IAS 16 and property held to earn rentals and/or capital appreciation is classified as investment property and is accounted for under the cost model under IAS 40. Depreciation is charged over the useful economic life of assets. Expenses capitalised under GR GAAP were written-off and impairment of properties was recorded. The Group has elected to measure all own use properties and one investment property at fair value at 1 January 2004, following the IFRS1 optional exemption for fair value as deemed cost and retain these values as deemed cost. The impact of the transition to IFRS in relation to the above items was an increase in fixed assets.

(f) ***Other assets (including derivatives)***

The movement in other assets was mainly due to accrued interest reclassification differences and the fair valuation of hedging derivatives. Under Greek GAAP trading derivatives were fair valued whereas accrual accounting was used for hedging derivatives. In accordance with IAS 39 all derivatives are carried at fair value. The adjustment regarding the fair valuation of hedging derivatives has resulted in the recognition of hedging derivatives with positive fair value as assets.

(g) ***Liabilities evidenced by paper***

Under Greek GAAP securitisation vehicles were not consolidated. Under IAS 39, IAS 27 and SIC 12 securitisation vehicles were consolidated and the consolidation has resulted in an increase in liabilities evidenced by paper.

(h) ***Other liabilities (including derivatives)***

(1) Under Greek GAAP trading derivatives were fair valued whereas accrual accounting was used for hedging derivatives. In accordance with IAS 39 all derivatives are carried at fair value. The adjustment regarding the fair valuation of hedging derivatives has resulted in the recognition of hedging derivatives with negative fair value as liabilities.

(2) Under Greek GAAP provisions for employee benefits were recognised in accordance with the Greek Labour legislation solely for staff retirement indemnity. Under IAS 19 the Group provides for staff retirement indemnity and potential separations before normal retirement which has resulted in an increase in liabilities.

(i) ***Shareholders' equity and minority interest***

The above adjustments were recorded, where applicable, against reserves resulting to a decrease in equity as at 30 June 2004 (table 4.2.1) and a decrease in minority interest.

4. Transition to IFRS (continued)

4.4 Explanation of adjustments to consolidated income statement items

The following analysis explains the material adjustments to consolidated income statement items.

(a) ***Net interest income and net banking fee and commission income***

(1) Under Greek GAAP fees received and costs incurred in relation to financial assets were recognised on a cash basis as commissions. The treatment of certain fees as an adjustment to the effective interest rate under IAS 18 and IAS 39 has resulted in an increase in net interest income and in a decrease in net banking fee and commission income.

(2) In June 2004 the Group proceeded with the securitisation of mortgage loans. Under GR GAAP securitisation vehicles were not consolidated and net income from retained interests was recorded as non-core income. Under IFRS securitisation vehicles were consolidated and mortgage loans interest was included in interest income.

(3) The net decrease in commission income is also due to presentation differences on the face of the income statement.

(b) ***Net insurance income and non banking services***

For the purposes of the presentation of the IFRS income statement net insurance income and income from non banking services has been reclassified out of net banking fee and commission income into separate line items in the income statement.

(c) ***Non core income***

Under Greek GAAP the net income of the securitisation vehicles that were not consolidated was recognised in the income statement due to retained interests as non core income. Under IFRS the income statements of the consolidated securitisation vehicles are consolidated on a line by line basis. This has resulted in a reclassification from non-core income into net interest income since the second quarter of 2004.

(d) ***Operating expenses***

(1) Under Greek GAAP depreciation was calculated using specified tax rates. Under IFRS depreciation is charged over the useful economic life of assets. This has resulted in a decrease in the depreciation expense.

(2) Under Greek GAAP provisions for employee benefits were recognised in accordance with the Greek Labour legislation solely for staff retirement indemnity. The additional provisions for staff retirement indemnity and potential separations before normal retirement under IAS 19 have resulted in an increase in staff costs.

(3) Under Greek GAAP bonus payments to employees are deducted directly from shareholders equity through the appropriation account when proposed. Under IFRS bonus payments to employees are recorded in the income statement when approved by the shareholders. This has resulted in an increase in operating expenses.

(e) ***Impairment losses on loans and advances***

In relation to loan impairment, under Greek GAAP specific loan provisions were established on an individual and portfolio basis against performing and non-performing loans. This has resulted in recording of provisions based on expected losses taking into consideration the value of collateral with no discounting of expected future cash flows. In addition, under Greek GAAP expenses incurred for recoveries were recorded as commission expense. Under IAS 39 the Group has discounted expected cash flows and reclassified in the income statement expenses incurred for recoveries resulting in an increase in the impairment loss on loans and advances and an increase in fee and commission income.

5. Business segments

The Group is organised into five main business segments:

- Retail - incorporating customer current accounts, savings, deposits, investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate - incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities.
- Asset Management, Private Banking and Insurance (AM, PB & INS) - incorporating private banking services, including total wealth management, to medium and high net worth individuals, insurance, mutual fund products and institutional asset management.
- Global and Capital Markets - incorporating investment banking services including corporate finance, merger and acquisitions advice, custody, equity brokerage, financial instruments trading and institutional finance to corporate and institutional entities, as well as, specialised financial advice and intermediation to private and large retail individuals as well as small and large corporate entities.
- SEE (South Eastern Europe) - incorporating operations in the Balkans.

Other operations of the Group comprise mainly investing activities, including property management and investment, electronic commerce and internet services, the management of unallocated capital and the closed-end funds which have been absorbed by the Bank.

Transactions between the business segments are on normal commercial terms and conditions.

With the exception of Greece no other individual country contributed more than 10% of consolidated income.

	For the six months ended 30 June 2005							
	Retail € million	Corporate € million	AM, PB & INS € million	Global & Capital Markets € million	Other € million	Elimination center € million	SEE € million	Total € million
Operating income	**498**	**130**	**56**	**95**	**21**	**(7)**	**95**	**888**
Profit from operations	**151**	**53**	**34**	**69**	**(2)**	**-**	**9**	**314**
Profit before tax	**152**	**53**	**34**	**69**	**3**	**-**	**9**	**320**
Income tax expense								**(92)**
Group profit after tax								**228**
Minority interest								**(3)**
Net profit attributable to shareholders								**225**

	For the six months ended 30 June 2004							
	Retail € million	Corporate € million	AM, PB & INS € million	Global & Capital Markets € million	Other € million	Elimination center € million	SEE € million	Total € million
Operating income	383	121	34	82	34	(2)	70	722
Profit from operations	94	49	19	56	9	-	7	234
Profit before tax	94	49	19	56	11	-	7	236
Income tax expense								(71)
Group profit after tax								165
Minority interest								(4)
Net profit attributable to shareholders								161

6. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: share options. In order to adjust the weighted average number of shares for the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is added to the weighted average number of ordinary shares in issue in order to determine the weighted average number of ordinary shares used for the calculation of the diluted earnings per share.

		Six months ended 30 June		Three months ended 30 June	
		2005	2004	**2005**	2004
Net profit for period attributable to shareholders	*€ million*	**225**	161	**116**	81
Weighted average number of ordinary shares in issue	*Number of shares*	***313,396,057***	*308,986,059*	***312,974,163***	*309,309,360*
Weighted average number of ordinary shares for diluted earnings per share	*Number of shares*	***313,634,445***	*310,333,198*	***313,385,831***	*311,006,145*
Basic earnings per share	€	**0.72**	0.52	**0.37**	0.26
Diluted earnings per share	€	**0.72**	0.52	**0.37**	0.26

7. Shares in subsidiary undertakings

(a) Attikis Kerdoos Ermis AEPEY
In April 2005, EFG Eurobank Securities SA proceeded with the acquisition of 100% of the share capital of Attikis Kerdoos Ermis AEPEY stock brokerage company.

(b) HC Istanbul Holding A.S.
In May 2005, the Group completed the acquisition of 100% of the share capital of HC Istanbul Holding A.S. (renamed to EFG Istanbul Holding AS), a holding company based in Istanbul, Turkey. EFG Istanbul Holding A.S. owns 99.99% of EFG Istanbul Menkul Degerler A.S., (formerly HC Istanbul Menkul Degerler AS). EFG Istanbul Menkul Degerler A.S. is also based in Istanbul, engaging in corporate finance, brokerage, research and other capital market activities in Turkey.

(c) Capital S.A.
In May 2005, the Group completed the acquisition of 100% of the share capital of Capital S.A., a company providing investment banking services based in Romania. Capital S.A. fully controls a subsidiary, Capital Securities S.A., which is engaged in stock brokerage activities and is a member of the Romanian Stock Exchange.

(d) Telesis Direct SA
In June 2005, the Bank absorbed its 100% electronic brokerage subsidiary Telesis Direct SA.

(e) EFG Eurobank Leasing SA
In May 2005, the Group established EFG Eurobank Leasing S.A., an entity operating in the leasing industry in Romania.

(f) EFG Property Services SA
In June 2005, the Group, in cooperation with Lamda Development S.A., established EFG Property Services S.A., a real estate advisory services company in Romania. The Group controls 80% of the share capital and Lamda Development S.A., a related party, controls the remaining 20% of the share capital of EFG Property Services S.A.

(g) Themeleion II Mortgage Finance Plc
In June 2005, the Group established Themeleion II Mortgage Finance Plc, a special purpose entity, as part of the second securitisation of mortgage loans.

(h) Be Business Exchanges SA
In April 2005, the Group participated in the share capital increase of Be Business Exchanges SA and its shareholding was increased to 71%.

7. Shares in subsidiary undertakings (continued)

Post balance sheet events

(a) Attikis Kerdoos Ermis AEPEY
In July 2005 Attikis Kerdoos Ermis AEPEY was absorbed by EFG Eurobank Securities SA.

(b) Hellas on Line SA
On 5 August 2005 the Bank signed a pre-agreement for the sale of 100% of the share capital of its subsidiary Hellas on Line SA. The agreement is subject to approval from regulatory authorities and completion of legal and financial due diligence processes.

8. Investments in associated undertakings

(a) The Greek Progress Fund SA and DIAS AEEX
During the six months ended 30 June 2005 the Group increased its shareholding in The Greek Progress Fund SA and Dias AEEX to 48.4% and 37.2% respectively.

(b) LogicDIS
LogicDIS is a software development company in which the Group held 8.1%. In April 2005 the Group increased its shareholding in LogicDIS to 29.1% through the acquisition and exercise of additional rights at LogicDIS's share capital increase. The investment has been transferred from available-for-sale to associated undertakings.

Post balance sheet events

In July 2005 the Bank entered into an agreement to acquire the remaining shares of The Greek Progress Fund SA (Progress) as follows: Progress will proceed with a 1 for 10 shares bonus issue and a 14 for 11 shares rights issue of € 130 million; the Bank will subscribe to any rights remaining unexercised; the Bank will then issue 1 Eurobank share for every 7.9 Progress shares. The acquisition is subject to regulatory approvals and ratification by shareholders General Meetings of both companies. Completion is expected in the fourth quarter of 2005.

9. Liabilities evidenced by paper

The analysis below provides details of new issues and repayments of liabilities evidenced by paper during the six months ended 30 June 2005:

	New issues € million	Repayments € million
Short-term debt		
Commercial Paper (ECP)		
- fixed rate	3,971	4,096
Long-term debt		
Medium-term notes (EMTN)		
- fixed rate	425	237
- floating rate	1,494	93
Subordinated		
- fixed rate	224	-
Securitised		
- fixed rate	-	7
- floating rate	750	50
Total	**6,864**	**4,483**

In June 2005, the Group proceeded with the second securitisation of mortgage loans through the transfer of the loans to Themeleion II Mortgage Finance Plc, a special purpose entity, which in turn issued residential mortgage backed securities to investors. The total size of the issue amounts to € 750 million at an average funding cost of three month Euribor plus 17.5 basis points for seven years. The transaction has been accounted for as collateralised borrowing. The mortgage loans are retained on the balance sheet and the corresponding liability is included within liabilities evidenced by paper.

Post balance sheet events

In July 2005, the Group proceeded with the securitisation of part of the credit card loan portfolio and the issue of credit card asset backed securities to investors by Karta 2005-1 Plc, a special purpose entity registered in the United Kingdom. The total size of the issue amounts to € 750 million at an average funding cost of three month Euribor plus 21.7 basis points. The transaction will be accounted for as collateralised borrowing where the credit card loans will be retained on the consolidated balance sheet and the corresponding liability will be included within liabilities evidenced by paper.

10. Share capital, share premium and treasury shares

The following is an analysis of the movement of share capital, share premium and treasury shares. The par value of the Bank's shares is € 2.95 per share and all of the Bank's shares are fully paid.

	Ordinary share capital € million	Treasury shares € million	Net € million	Share premium € million	Treasury shares € million	Net € million
At 1 January 2005	927	(1)	926	503	(2)	501
Purchase of treasury shares	-	(4)	(4)	-	(28)	(28)
Sale of treasury shares	-	1	1	-	7	7
At 30 June 2005	**927**	**(4)**	**923**	**503**	**(23)**	**480**

The following is an analysis of the movement in the number of shares issued by the Bank:

	Number of shares		
	Issued	Treasury shares	Net
At 1 January 2005	314,009,537	(186,899)	313,822,638
Purchase of treasury shares	-	(1,323,280)	(1,323,280)
Sale of treasury shares	-	300,000	300,000
At 30 June 2005	**314,009,537**	**(1,210,179)**	**312,799,358**

11. Share options

The Group grants share options to executive directors, management and employees. All options may be exercised wholly or partly and converted into shares, at their owners' option provided that the vesting requirements are met.

On 18 April 2005, the shareholders General Meeting approved the issue of 1,525,000 options on the Bank's shares to the Group's executive directors, management and staff employed by the Group on 31.12.2004. Provided that the holders are still employed by the Group, the options can be exercised in December of 2007, 2008, 2009 and 2010 at € 18 per share.

12. Preferred securities

On 18 March 2005, EFG Hellas Funding Limited, a subsidiary of the Group, issued preferred securities which represent Lower Tier 1 capital for the Group. The preferred securities have no fixed redemption date and give the issuer the right to call the issue at par on 18 March 2010 and annually thereafter. All obligations of the issuer in respect of the preferred securities are guaranteed on a subordinated basis by the Bank. The securities pay fixed non-cumulative annual dividend of 6.75% for the first two years and non-cumulative annual dividends that are determined based on the ten year EURO swap rate plus a spread of 0.125% capped at 8% thereafter. The preferred dividends may be declared by the directors of the issuer in their sole discretion and paid out of funds legally available to the issuer. The preferred dividend must be declared and paid if the Bank, the issuer or any other Group subsidiary pays a dividend. The preferred securities are listed on the Luxembourg and Frankfurt Stock Exchanges.

13. Contingent liabilities and capital expenditure commitments

As at 30 June 2005 the Group's contingent liabilities in terms of guarantees and irrevocable letters of credit amounted to € 1,519 million (31 December 2004: € 1,993 million) and the Group's capital commitments in terms of property, plant and equipment amounted to € 8 million (31 December 2004: € 8 million).

14. Post balance sheet events

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

Note 7 - Shares in subsidiary undertakings
Note 8 - Investments in associated undertakings
Note 9 - Liabilities evidenced by paper

15. Acquisition of subsidiaries

Details of acquisitions of subsidiaries during the period from 1 January 2005 to 30 June 2005 are as follows:

	Fair value of net assets acquired € million	Consi-deration € million	Goodwill € million
EFG Istanbul Holding AS and its subsidiary EFG Istanbul Menkul Degerler AS (Note 7)	8	26	18
Other acquisitions	5	7	2
Total	13	33	20

The other acquisitions consist of the following:
a) Acquisition of 100% of the share capital of Capital SA and its subsidiary Capital Securities SA (Note 7), and
b) Acquisition of 100% of the share capital of Attikis Kerdoos Ermis AEPEY (Note 7).

The above acquisitions have been accounted for by the purchase method of accounting. The acquired companies contributed a net loss of € 1 million to the Group during the period from the date of their acquisition to 30 June 2005. If the acquisitions had been completed on 1 January 2005, the acquired companies would have contributed revenue of € 2 million and net profit of € 1 million for the six months ended 30 June 2005.

16. Related party transactions

The Bank is a member of the EFG Group, the ultimate parent company of which is EFG Bank European Financial Group, a bank incorporated in Switzerland, which owns 41% of the ordinary shares. The remaining 59% of the shares are widely held. All the voting rights in EFG Bank European Financial Group are held by the Latsis family, the ultimate controlling party of the Group.

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 guarantees and derivatives. The volume of related party transactions and outstanding balances at the period/year-end are as follows:

	30 June 2005		
	EFG Group € million	Key management personnel € million	Other € million
Due from other banks	33	-	-
Trading securities	1	-	-
Available for sale investment securities	-	-	1
Loans and advances to customers	-	6	88
Other assets	1	-	1
Due to other banks	77	-	-
Due to customers and liabilities evidenced by paper	89	19	92
Other liabilities	2	-	-
Net interest income/(expense)	(4)	-	2
Net banking fee and commission income/(expense)	-	-	1
Operating expenses	(2)	-	-
Letters of guarantee issued	377	-	5
Letters of guarantee received	521	-	-

	31 December 2004		
	EFG Group € million	Key management personnel € million	Other € million
Trading securities	8	-	-
Available for sale investment securities	-	-	14
Loans and advances to customers	29	7	95
Due to other banks	29	-	-
Due to customers and liabilities evidenced by paper	421	8	51
Other liabilities	2	-	-
Net interest income/(expense) for the six months ended 30 June 2004	(1)	-	1
Net banking fee and commission income/(expense) for the six months ended 30 June 2004	-	-	1
Operating expenses for the six months ended 30 June 2004	(2)	-	-
Letters of guarantee issued	835	-	131
Letters of guarantee received	574	-	-

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

As at 31 December 2004, in relation to the letters of guarantee issued, the Group had received cash collateral € 355 million which is included in due to customers and liabilities evidenced by paper above. The letter of guarantee and collateral expired in May 2005.

No provisions have been recognised in respect of loans given to related parties (2004: Nil)

Based on agreements the Group provides the following services to associated undertakings:
(a) Dias AEEX - portfolio management, custodian and share registry services.
(b) The Greek Progress Fund SA - advisory services on investment analysis and management, custodian and share registry services.

Key management compensation (including directors)

During the six months ended 30 June 2005 the compensation of key management personnel was € 4 million (six months ended 30 June 2004: € 3 million).

17. Dividends

Final dividends are not accounted for until they have been ratified by the Annual General Meeting. The Meeting on 5 April 2005 approved a total dividend in respect of 2004 of € 0.72 per share amounting to a total of € 226 million. Out of this approved dividend an interim dividend of € 0.30 per share amounting to € 94 million has been paid in December 2004 in accordance with the decision of the Board of Directors of 22 October 2004. The remaining dividend of € 0.42 per share amounting to € 132 million was paid in April 2005. The interim dividend of € 0.30 per share has been accounted for in shareholders equity as an appropriation of retained earnings during the period from 1 October 2004 to 31 December 2004. The final dividend of € 0.42 per share has been accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2005 to 30 June 2005.

The Meeting of 5 April 2004 had approved a dividend in respect of 2003 of € 0.60 per share amounting to a total dividend of € 185 million. This dividend was paid in April 2004 and has been accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2004 to 30 June 2004.

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