



**EFG EUROBANK ERGASIAS S.A.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED**

**30 JUNE 2006**

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[Translation from the original text in Greek]

**REVIEW REPORT OF THE CERTIFIED AUDITORS- ACCOUNTANTS**

**To the Shareholders of EFG EUROBANK ERGASIAS S.A.**

We have reviewed the accompanying condensed consolidated interim balance sheet of EFG EUROBANK ERGASIAS S.A (the "Company") and its subsidiaries (the "Group") as of 30 June 2006 and the related condensed interim consolidated statements of income, cash flows and changes in shareholders' equity for the six months ended 30 June 2006. Our review was restricted to financial information for the six months period ended 30 June 2006 and did not encompass a review of financial information relating to the Group's performance for the three months period ended 30 June 2006 as a separate quarter which is presented in the income statement of the accompanying condensed consolidated interim financial statements. These condensed interim consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements for the six monthly period ended 30 June 2006 has not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Athens, August 3, 2006

**PRICEWATERHOUSECOOPERS** 

	Note	Six months ended 30 June		Three months ended 30 June	
		2006 €million	2005 €million	2006 €million	2005 €million
Net interest income		758	629	387	321
Net banking fee and commission income		220	179	115	90
Net insurance income		19	16	8	12
Non banking services		11	15	6	8
<b>Core income</b>		<b>1,008</b>	<b>839</b>	<b>516</b>	<b>431</b>
Dividend income		6	3	6	3
Net trading income/(loss)		22	11	11	4
Gains less losses from investment securities		35	30	21	18
Other operating income	7, 8	21	5	1	4
		<b>84</b>	<b>49</b>	<b>39</b>	<b>29</b>
<b>Operating income</b>		<b>1,092</b>	<b>888</b>	<b>555</b>	<b>460</b>
Operating expenses		(503)	(421)	(260)	(218)
Impairment losses on loans and advances		(172)	(153)	(85)	(82)
<b>Profit from operations</b>		<b>417</b>	<b>314</b>	<b>210</b>	<b>160</b>
Share of results of associates		2	6	(1)	4
<b>Profit before tax</b>		<b>419</b>	<b>320</b>	<b>209</b>	<b>164</b>
Income tax expense	9	(98)	(92)	(46)	(47)
<b>Profit after tax</b>		<b>321</b>	<b>228</b>	<b>163</b>	<b>117</b>
Minority interest		(3)	(3)	(2)	(1)
<b>Net profit for the period attributable to shareholders</b>		<b>318</b>	<b>225</b>	<b>161</b>	<b>116</b>
	Note	€	€	€	€
<b>Earnings per share</b>					
- basic	6	<b>0.78</b>	0.60	<b>0.39</b>	0.31
- diluted	6	<b>0.78</b>	0.60	<b>0.39</b>	0.31

Notes on pages 8 to 13 form an integral part of these condensed consolidated interim financial statements

	Note	30 June 2006 €million	31 December 2005 €million
<b>ASSETS</b>			
Cash and balances with central banks		1,938	1,755
Loans and advances to banks		2,449	2,993
Financial instruments at fair-value-through-profit-or-loss		1,080	1,209
Derivative financial instruments		533	311
Loans and advances to customers		29,622	26,624
Available-for-sale investment securities		10,389	10,024
Investments in associated undertakings	8	26	35
Intangible assets		168	154
Property, plant and equipment		852	827
Other assets		755	532
<b>Total assets</b>		<b>47,812</b>	<b>44,464</b>
<b>LIABILITIES</b>			
Due to other banks		11,462	10,781
Derivative financial instruments		805	736
Due to customers		21,411	19,255
Liabilities evidenced by paper	10	9,441	9,153
Other liabilities		1,237	1,140
<b>Total liabilities</b>		<b>44,356</b>	<b>41,065</b>
<b>EQUITY</b>			
Share capital	11	1,252	1,047
Share premium	11	244	482
Other reserves		995	994
<b>Ordinary shareholders' equity</b>		<b>2,491</b>	<b>2,523</b>
Preferred securities	13	788	762
<b>Ordinary and Preferred shareholders' equity</b>		<b>3,279</b>	<b>3,285</b>
Minority interest		177	114
<b>Total</b>		<b>3,456</b>	<b>3,399</b>
<b>Total equity and liabilities</b>		<b>47,812</b>	<b>44,464</b>

Notes on pages 8 to 13 form an integral part of these condensed consolidated interim financial statements

Note	Attributable to ordinary shareholders of the Bank					Preferred securities €million	Minority interest €million	Total €million
	Share capital €million	Share premium €million	Special reserves €million	Retained earnings €million	Total €million			
<b>Balance at 1 January 2005</b>	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 in subsidiaries' capital increase	-	-	-	-	-	-	1	1
Issue of preferred securities	-	-	-	-	-	197	-	197
Purchase of preferred securities	-	-	-	-	-	(11)	-	(11)
Dividends for 2004	-	-	-	(132)	(132)	-	-	(132)
Dividends paid by subsidiaries attributable to minority interest	-	-	-	-	-	-	(1)	(1)
Employee share option scheme:								
- Value of employee services	-	-	1	-	1	-	-	1
Purchase of treasury shares	(4)	(28)	-	-	(32)	-	-	(32)
Sale of treasury shares	1	7	-	-	8	-	-	8
	(3)	(21)	1	(132)	(155)	186	-	31
<b>Balance at 30 June 2005</b>	<b>923</b>	<b>480</b>	<b>595</b>	<b>169</b>	<b>2,167</b>	<b>186</b>	<b>81</b>	<b>2,434</b>
<b>Balance at 1 January 2006</b>	<b>1,047</b>	<b>482</b>	<b>913</b>	<b>81</b>	<b>2,523</b>	<b>762</b>	<b>114</b>	<b>3,399</b>
Cash flow hedges								
- net changes in fair value, net of tax	-	-	3	-	3	-	-	3
- transfer to net profit, net of tax	-	-	4	-	4	-	-	4
Available-for-sale securities								
- net changes in fair value, net of tax	-	-	(279)	-	(279)	-	(1)	(280)
- transfer to net profit, net of tax	-	-	167	-	167	-	-	167
Currency translation differences	-	-	1	-	1	-	1	2
Net income/(expense) recognised directly in equity	-	-	(104)	-	(104)	-	-	(104)
Profit for the period	-	-	-	318	318	-	3	321
Total recognised income for the six months ended 30 June 2006	-	-	(104)	318	214	-	3	217
Issue of bonus shares by capitalisation of share premium	210	(210)	-	-	-	-	-	-
Expenses related to the issue of bonus shares	-	(2)	-	-	(2)	-	-	(2)
Distribution of free shares to executive directors, management and staff	2	19	-	-	21	-	-	21
Minority's share in subsidiaries' capital increase	-	-	-	-	-	-	37	37
Acquisitions/Changes in participating interests in subsidiary and associated undertakings	16	-	1	(26)	(25)	-	27	2
Purchase of preferred securities	13	-	-	-	-	(19)	-	(19)
Sale of preferred securities	13	-	-	(2)	(2)	45	-	43
Preferred securities' dividend paid	-	-	-	(17)	(17)	-	-	(17)
Dividends for 2005	-	-	-	(171)	(171)	-	-	(171)
Dividends paid by subsidiaries attributable to minority interest	-	-	-	-	-	-	(4)	(4)
Employee share option scheme:								
- Value of employee services	-	-	2	-	2	-	-	2
Purchase of treasury shares	(7)	(45)	-	-	(52)	-	-	(52)
Sale of treasury shares	0	0	0	-	0	-	-	0
	205	(238)	3	(216)	(246)	26	60	(160)
<b>Balance at 30 June 2006</b>	<b>1,252</b>	<b>244</b>	<b>812</b>	<b>183</b>	<b>2,491</b>	<b>788</b>	<b>177</b>	<b>3,456</b>

Note 11      Note 11

Note 13

Notes on pages 8 to 13 form an integral part of these condensed consolidated interim financial statements

	Note	Six months ended 30 June	
		2006 €million	2005 €million
<b>Cash flows from operating activities</b>			
Interest received and net trading receipts		1,280	824
Interest paid		(554)	(368)
Fees and commissions received		348	284
Fees and commissions paid		(46)	(50)
Dividends received		6	3
Other income received		19	18
Cash payments to employees and suppliers		(392)	(312)
Income taxes paid		(133)	(151)
Cash flows from operating profits before changes in operating assets and liabilities		528	248
<b>Changes in operating assets and liabilities</b>			
Net (increase)/decrease in cash and balances with central banks		(384)	(80)
Net (increase)/decrease in financial instruments at fair-value-through-profit-or-loss		327	868
Net (increase)/decrease in loans and advances to banks		4	(35)
Net (increase)/decrease in loans and advances to customers		(2,870)	(2,872)
Net (increase)/decrease in other assets		179	83
Net increase/(decrease) in due to other banks		678	3,882
Net increase/(decrease) in due to customers		1,943	(676)
Net increase/(decrease) in other liabilities		(84)	(216)
<b>Net cash from operating activities</b>		<b>321</b>	<b>1,202</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(76)	(55)
Proceeds from sale of property, plant and equipment		4	9
Purchases of available-for-sale investment securities		(3,544)	(3,289)
Proceeds from sale of available-for-sale investment securities		2,635	1,337
Acquisition of subsidiary undertakings net of cash acquired		(46)	(23)
Proceeds from sale of subsidiary undertakings net of cash disposed	7	15	-
Acquisition of associated undertakings		-	(39)
Proceeds from sale of associated undertakings		14	-
Dividends from associated undertakings		2	-
Net contributions by minority interest		75	1
<b>Net cash from investing activities</b>		<b>(921)</b>	<b>(2,059)</b>
<b>Cash flows from financing activities</b>			
Proceeds from liabilities evidenced by paper	10	4,563	6,864
Repayments of liabilities evidenced by paper	10	(4,283)	(4,483)
Proceeds from the issue of preferred securities		-	197
Purchases of preferred securities	13	(19)	(11)
Proceeds from sale of preferred securities	13	45	-
Preferred securities' dividend paid		(17)	-
Dividends paid	18	(171)	(132)
Issue of share capital		(2)	-
Purchases of treasury shares		(52)	(32)
Proceeds from sale of treasury shares		0	8
<b>Net cash from financing activities</b>		<b>64</b>	<b>2,411</b>
Effect of exchange rate changes on cash and cash equivalents		5	33
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(531)</b>	<b>1,587</b>
Cash and cash equivalents at beginning of period		3,568	2,247
<b>Cash and cash equivalents at end of period</b>		<b>3,037</b>	<b>3,834</b>

Notes on pages 8 to 13 form an integral part of these condensed consolidated interim financial statements

**1. General information**

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 31 July 2006.

**2. Basis of preparation of condensed consolidated interim financial statements**

These condensed consolidated 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 Group's published consolidated annual financial statements for the year ended 31 December 2005. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

**3. Principal accounting policies**

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

**4. Critical accounting estimates and judgements in applying accounting policies**

In preparing these condensed consolidated interim financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the published consolidated annual financial statements for the year ended 31 December 2005.

**5. Business segments**

The Group is organised into five main business segments:

- Retail - incorporating customer current accounts, savings, deposits and 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 and investment savings 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.
- New Europe - incorporating operations in Romania, Bulgaria, Serbia, Cyprus, Poland and Turkey.

Other operations of the Group comprise mainly of investing activities, including property management and investment, electronic commerce, the management of unallocated capital and, in 2005, 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 2006							Total €million
	Retail €million	Corporate €million	AM, PB & INS €million	Global & Capital Markets €million	Other €million	New Europe €million	Elimination center €million	
External revenue	551	131	105	148	17	140	-	1,092
Inter-segment revenue	29	20	(22)	(23)	4	(0)	(8)	-
<b>Total revenue</b>	<b>580</b>	<b>151</b>	<b>83</b>	<b>125</b>	<b>21</b>	<b>140</b>	<b>(8)</b>	<b>1,092</b>
Profit from operations	176	89	57	96	6	(7)	-	417
Profit before tax	177	89	57	96	7	(7)	-	419
Income tax expense								(98)
<b>Group Profit after tax</b>								<b>321</b>
Minority interest								(3)
<b>Net profit attributable to shareholders</b>								<b>318</b>

	For the six months ended 30 June 2005							Total €million
	Retail €million	Corporate €million	AM, PB & INS €million	Global & Capital Markets €million	Other €million	New Europe €million	Elimination center €million	
External revenue	475	115	70	116	17	95	-	888
Inter-segment revenue	23	15	(14)	(21)	4	(0)	(7)	-
<b>Total revenue</b>	<b>498</b>	<b>130</b>	<b>56</b>	<b>95</b>	<b>21</b>	<b>95</b>	<b>(7)</b>	<b>888</b>
Profit from operations	151	53	34	69	(2)	9	-	314
Profit before tax	152	53	34	69	3	9	-	320
Income tax expense								(92)
<b>Group Profit after tax</b>								<b>228</b>
Minority interest								(3)
<b>Net profit attributable to shareholders</b>								<b>225</b>



## 6. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, 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 made 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	
		2006	2005	2006	2005
Net profit for period attributable to ordinary shareholders	€ million	297	225	150	116
Weighted average number of ordinary shares in issue	Number of shares	380,939,504	377,137,652	380,626,368	376,631,379
Weighted average number of ordinary shares for diluted earnings per share	Number of shares	381,482,836	377,376,040	381,211,351	377,043,047
Basic earnings per share	€	0.78	0.60	0.39	0.31
Diluted earnings per share	€	0.78	0.60	0.39	0.31

Basic and diluted earnings per share for the period 1 January 2005 to 30 June 2005 and for the period 1 April 2005 to 30 June 2005 have been adjusted to be comparable due to the distribution of free shares in accordance with the decision of the Annual General Shareholders' Meeting held on 3 April 2006.

## 7. Shares in subsidiary undertakings

### (a) Hellas on Line S.A.

In January 2006, the Group disposed of its 100% holding in Hellas on Line S.A. The subsidiary was sold for a defined consideration of € 19 million plus consideration contingent on future services. The initial gain on disposal of € 15.6 million excludes the contingent consideration and is included in other operating income. The net cash inflow on disposal after deducting cash in the subsidiary disposed was € 15 million.

### (b) Bancpost S.A., Bucharest

In February 2006, the share capital increase of Bancpost S.A. was finalised and the Group's shareholding increased to 77.56% from 77.31%.

### (c) Euroline Retail Service S.A., Bucharest

Following the increase in shareholding of Bancpost S.A., the Group increased its shareholding in Euroline Retail Service S.A. to 95.48% from 95.43%.

### (d) EFG Eurobank Mutual Funds Management Romania S.A.I. S.A., Bucharest

Following the increase in shareholding of Bancpost S.A., the Group increased its shareholding in EFG Eurobank Mutual Funds Management Romania S.A.I. S.A. to 95.76% from 95.71%.

### (e) Bulgarian Post Bank A.D., Sofia

In February 2006, the Group participated in the share capital increase of Bulgarian Post Bank A.D. and its shareholding increased to 99.66% from 98.70%.

### (f) Best Direct S.A.

In March 2006, the Group, through its 100% subsidiary Open 24 S.A., acquired 100% of the share capital of Best Direct S.A., a company providing sundry services.

### (g) Global Fund Management S.A.

In March 2006, the Group increased its shareholding in Global Fund Management S.A. to 72% from 44.44%; as a result the company has been transferred from investments in associated undertakings to subsidiary undertakings and is consolidated using the full consolidation method.

### (h) Nacionalna Stedionica Banka A.D., Beograd

In March 2006, the Group acquired the remaining 37.7% shareholding in Nacionalna Stedionica Banka A.D., Beograd held by the Republic of Serbia. The Group now owns 100% of the company's share capital.

### (i) Polbank Dystrybucja Sp. z o.o.

In March 2006, EFG Express Kredit Spolca Z Organizacjona Odpowiedzialnoscia changed its name to Polbank Dystrybucja Sp. z o.o.

### (j) Eurobank Properties R.E.I.C.

Following an initial public offering of 7.3% (1,780,000) existing shares and 22.58% (5,510,066) new shares, the shares of Eurobank Properties R.E.I.C. were listed in April 2006 on the Athens Stock Exchange and the Group's shareholding was reduced to 54.88% from 70.88%.

### (k) Eurobank EFG Fund Management Co. (Luxembourg) S.A.

In April 2006, the Group established Eurobank EFG Fund Management Co. (Luxembourg) S.A., a fund management company operating in Luxembourg. The shareholding in the company is at 100%.

### (l) Intertrust Mutual Funds Co. S.A.

The absorption by the Bank of its 100% subsidiary Intertrust Mutual Funds Co. S.A., approved in November 2005, was completed on 11 April 2006.

### (m) Tekfenbank A.S.

On 8 May 2006, the Bank announced the agreement for the acquisition of 70% of the share capital of Tekfenbank A.S., which operates in Turkey. Closing of the transaction is subject to regulatory approvals and is expected to occur in the third quarter 2006. As part of the agreement, Tekfenbank A.S. will acquire EFG Istanbul Menkul Degerler A.S.

### (n) EFG Eurobank Securities S.A., Romania

In May 2006, Capital Securities S.A. changed its name to EFG Eurobank Securities S.A.

- (o) **EFG Eurobank A.D. Beograd**  
In June 2006, the Group participated in the share capital increase of EFG Eurobank A.D. Beograd and its shareholding increased to 98.85% from 97.99%.
- (p) **EFG Leasing A.D., Beograd**  
In June 2006, the Group established EFG Leasing A.D., Beograd, a leasing company operating in Serbia. The shareholding in the company is at 99.44%.
- (q) **GFM Levant Capital (Cayman) Ltd**  
In June 2006, the Group established GFM Levant Capital (Cayman) Ltd, a fund management company operating in Cayman Islands. The shareholding in the company is at 72.50%.
- (r) **Themeleion III**  
In June 2006, the Group established Themeleion III Mortgage Finance Plc and Themeleion III Holdings Ltd, special purpose entities, as part of the third securitisation of mortgage loans.

**Post balance sheet events**

- (s) **Financial Planning Receivables Management Services S.A.**  
In July 2006, the Group established Financial Planning Receivables Management Services S.A., a receivables collection company operating in Greece. The company is a 100% subsidiary of the Group.
- (t) **Universal Bank OJSC**  
In July 2006, the Group reached an agreement to acquire 99.3% of Universal Bank OJSC, a bank which operates in Ukraine. Closing of the transaction is subject to regulatory approvals and is expected to occur in the fourth quarter 2006.
- (u) **Eurobank EFG Holding (Luxembourg) S.A.**  
In July 2006, the Group established Eurobank EFG Holding (Luxembourg) S.A., a holding company based in Luxembourg. The company is a 100% subsidiary of the Group.

**8. Investments in associated undertakings**

- (a) **Logic Data Information Systems**  
In January 2006, the Group disposed of its 28.4% stake in its associated undertaking, LogicDIS. The gain on disposal, estimated at € 2.5 million, is included in other operating income.
- (b) **Global Finance S.A.**  
In April 2006, Berberis Investment Limited (100% subsidiary of the Group) completed the sale of 30% of Global Finance S.A. Following the transaction, the Group's participation in Global Finance S.A. decreased to 19.9% and the investment has been transferred from investments in associated undertakings to available-for-sale.

**Post balance sheet events**

- (c) **Dias A.E.E.X.**  
In July 2006, the Group participated in the capital increase of Dias A.E.E.X. and maintained its participation at 42.04%.

**9. Income tax expense**

As of 1 January 2006, the nominal Greek corporate rate of tax is reduced from 32% to 29%.

**10. Liabilities evidenced by paper**

During the six months ended 30 June 2006, the following new issues and repayments of liabilities evidenced by paper took place :

	New issues €million	Repayments €million
<b>Short-term debt</b>		
Commercial Paper (ECP)		
- fixed rate	2,465	(3,002)
<b>Long-term debt</b>		
Medium-term notes (EMTN)		
- fixed rate	296	(354)
- floating rate	802	(865)
Securitised		
- floating rate	1,000	(62)
<b>Total</b>	<b>4,563</b>	<b>(4,283)</b>

In June 2006, the Group proceeded with the third securitisation of mortgage loans through the transfer of the loans to Themeleion III 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 € 1,000 million at an average funding cost of three month Euribor plus 16 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.

**11. Ordinary share capital, share premium and treasury shares**

The par value of the Bank's shares is €3.30 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 2006	1,054	(7)	1,047	523	(41)	482
3 April 2006:						
- Distribution of free shares to executive directors, management and staff	2	-	2	19	-	19
- Bonus issue of 2 shares for every 10 held	211	(1)	210	(211)	1	(210)
- Expenses related to the above	-	-	-	(2)	-	(2)
17 April 2006:						
- Cancellation of Treasury shares	(3)	3	-	(15)	15	-
Purchase of treasury shares	-	(7)	(7)	-	(45)	(45)
Sale of treasury shares	-	0	0	-	0	0
<b>At 30 June 2006</b>	<b>1,264</b>	<b>(12)</b>	<b>1,252</b>	<b>314</b>	<b>(70)</b>	<b>244</b>

	Number of shares		
	Issued	Treasury shares	Net
At 1 January 2006	319,321,451	(1,885,524)	317,435,927
3 April 2006:			
- Distribution of free shares to executive directors, management and staff	655,000	-	655,000
- Bonus issue of 2 shares for every 10 held	63,995,291	(471,295)	63,523,996
17 April 2006:			
- Cancellation of Treasury shares	(786,000)	786,000	-
Purchase of treasury shares	-	(2,199,374)	(2,199,374)
Sale of treasury shares	-	27,500	27,500
<b>At 30 June 2006</b>	<b>383,185,742</b>	<b>(3,742,693)</b>	<b>379,443,049</b>

In April 2006, the Annual General Meeting approved the renewal of the treasury shares special scheme for one year within the price range of € 5.00 to € 33.33 per share for a total of up to 5% of the Bank's shares.

**12. Share options**

The Group 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.

In April 2006, the Annual General Meeting approved the establishment of an umbrella share options programme allowing the Board of Directors (through the Board's Remuneration Committee) to issue share options within the next 5 years (i.e. until the Annual General Meeting of the year 2011) totalling up to 3% of the Bank's shares within the defined framework similar to the share options issued in the past.

Following the above approval, 1,000,000 share options were granted with a strike price of € 18.00 per share, which may be exercised in December of 2008, 2009, 2010 and 2011 if the option holder is still employed by the Group.

**13. Preferred securities**

The movement of preferred securities issued by the Group 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 2006	178	397	187	762
Purchase of preferred securities	(10)	(4)	(5)	(19)
Sale of preferred securities	27	4	14	45
<b>At 30 June 2006</b>	<b>195</b>	<b>397</b>	<b>196</b>	<b>788</b>

As at 30 June 2006, the dividend attributable to preferred securities holders amounts to €21 million.

**14. Contingent liabilities and capital expenditure commitments**

As at 30 June 2006 the Group's contingent liabilities in terms of guarantees and standby letters of credit amounted to €1,498 million (31 December 2005: €1,448 million) and the Group's documentary credits amounted to €60 million (31 December 2005: €72 million).

Group's capital commitments in terms of property, plant and equipment amounted to €26 million (31 December 2005: €10 million). The unused credit facilities as at 30 June 2006 amounted to €15,394 million (31 December 2005: €12,866 million)

**15. 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

**16. Acquisition of subsidiaries**

Details of acquisitions of subsidiaries during the period from 1 January 2006 to 30 June 2006 are as follows:

	Fair value of net assets acquired €million	Consi-deration €million	Goodwill €million
Global Fund Management S.A. (note 7(g))	1	2	1
Best Direct S.A. (note 7(f))	(1)	0	1
<b>Total</b>	<b>(0)</b>	<b>2</b>	<b>2</b>

The above acquisitions have been accounted for by the purchase method of accounting. The acquired companies contributed a net loss of €0.3 million to the Group during the period from the date of their acquisition to 30 June 2006. If the acquisitions had been completed on 1 January 2006, the acquired companies would have contributed revenue of €1.2 million and net loss of €0.6 million for the six months ended 30 June 2006.

The acquisition of the remaining 37.69% of the share capital of Nacionalna Stedionica Banka A.D., Beograd on 27 March 2006 is accounted for as equity transaction, with any difference between the consideration and the share of the additional net assets acquired recorded directly in equity, in accordance with the Group's accounting policies. Changes in participating interests of subsidiary undertakings that have been recognised directly in equity also include Eurobank Properties R.E.I.C, Bancpost S.A., Bulgarian Post Bank A.D. and EFG Eurobank A.D. Beograd.

The initial accounting for the business combinations that were effected during the period is presented provisionally since the determination of the subsidiaries' identifiable assets, liabilities or contingent liabilities, or the cost of the combinations has not been yet finalised.

**Adjustments to the provisional values of previous year acquisitions**

With respect to the acquisitions of 62.31% of the share capital of Nacionalna Stedionica Banka A.D., Beograd, and 100% of the share capital of EFG Istanbul Holding A.S. effected in 2005 and presented provisionally, total goodwill has decreased by €2.2 million as a result of adjustments that increased the provisional values of net assets acquired by €6.6 million, and adjustments that increased total acquisition cost by €4.4 million, mainly due to the execution of agreed contingent considerations.

The acquisition of Nacionalna Stedionica Banka A.D., Beograd continues to be presented provisionally since the determination of the subsidiary's identifiable assets, liabilities or contingent liabilities has not been finalised.

**17. 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. The EFG Group holds 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 guarantee and derivatives. In addition, as part of its normal course of business in investment banking activities, the Group 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:

	30 June 2006			31 December 2005		
	EFG management		Other	EFG management		Other
	Group	Key personnel		Group	Key personnel	
	€million	€million	€million	€million	€million	€million
Loans and advances to banks	0	-	-	-	-	-
Available for sale investment securities	63	-	29	30	-	25
Loans and advances to customers	-	7	48	-	6	128
Other assets	-	-	1	0	0	2
Due to other banks	237	-	-	25	-	-
Due to customers and liabilities evidenced by paper	261	50	171	290	21	114
Derivative financial instruments	-	2	-	-	-	-
Other liabilities	1	-	1	0	-	0
Letters of guarantee issued	369	-	1	365	-	2
Letters of guarantee received	411	-	-	517	-	-
	<b>six months ended 30 June 2006</b>			<b>six months ended 30 June 2005</b>		
Net interest income/(expense)	(4)	(0)	(0)	(4)	-	2
Net banking fee and commission income/(expense)	0	-	1	-	-	1
Operating expenses	(2)	-	0	(2)	-	-

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

No provisions have been recognised in respect of loans given to related parties (2005: Nil)

**Key management compensation (including directors)**

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments. Key management personnel received total compensation of €7 million for the six months ended 30 June 2006 (six months ended 30 June 2005: €4 million).

**18. Dividends**

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

The Annual General Meeting on 3 April 2006 approved a dividend in respect of 2005 of €0.90 per share (equivalent to €0.75 per share following the bonus issue of 2 shares for every 10 held) amounting to a total dividend of €286 million. Out of this approved dividend an interim dividend of €0.36 per share amounting to €115 million had been paid in December 2005 in accordance with the decision of the Board of Directors of 23 November 2005. The remaining dividend of €0.54 per share amounting to €171 million was paid in April 2006 and has been accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2006 to 30 June 2006.