



EFG EUROBANK ERGASIAS S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

31 MARCH 2006

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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	Note	Three months ended 31 March	
		2006 € million	2005 € million
Net interest income		303	267
Net banking fee and commission income		52	37
Non banking services		1	1
Core income		356	305
Dividend income		0	1
Net trading income/(loss)		8	8
Gains less losses from investment securities		13	11
Other operating income	5, 6	10	1
		31	21
Operating income		387	326
Operating expenses		(163)	(140)
Impairment losses on loans and advances		(81)	(66)
Profit before tax		143	120
Income tax expense	7	(36)	(35)
Net profit for the period attributable to shareholders		107	85

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

	Note	31 March 2006 €million	31 December 2005 €million
ASSETS			
Cash and balances with central bank		919	1,107
Loans and advances to banks		4,645	4,238
Financial instruments at fair-value-through-profit-or-loss		1,419	864
Derivative financial instruments		454	366
Loans and advances to customers		25,478	24,214
Available-for-sale investment securities		9,395	9,309
Investments in subsidiary undertakings	5	982	896
Investments in associated undertakings	6	18	18
Intangible assets		6	5
Property, plant and equipment		405	398
Other assets		315	309
Total assets		44,036	41,724
LIABILITIES			
Due to other banks		11,999	10,623
Derivative financial instruments		669	742
Due to customers		25,634	24,660
Other borrowed funds	8	1,982	2,031
Other liabilities		534	552
Total liabilities		40,818	38,608
EQUITY			
Share capital	9	1,047	1,047
Share premium	9	480	482
Other reserves		907	825
Ordinary shareholders' equity		2,434	2,354
Hybrid capital	11	784	762
Total		3,218	3,116
Total equity and liabilities		44,036	41,724

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

Note	Attributable to ordinary shareholders of the Bank					Hybrid capital €million	Total €million
	Share capital €million	Share premium €million	Special reserves €million	Retained earnings €million	Total €million		
Balance at 1 January 2005	926	502	598	(29)	1,997	-	1,997
Cash flow hedges							
- net changes in fair value, net of tax	-	-	(5)	-	(5)	-	(5)
- transfer to net profit, net of tax	-	-	6	-	6	-	6
Available-for-sale securities							
- net changes in fair value, net of tax	-	-	5	-	5	-	5
- transfer to net profit, net of tax	-	-	(7)	-	(7)	-	(7)
Net income/(expense) recognised directly in equity	-	-	(1)	-	(1)	-	(1)
Profit for the period	-	-	-	85	85	-	85
Total recognised income for the three months ended 31 March 2005	-	-	(1)	85	84	-	84
Issue of hybrid capital	-	-	-	-	-	197	197
Purchase of hybrid capital	-	-	-	-	-	(11)	(11)
Purchase of treasury shares	(1)	(5)	-	-	(6)	-	(6)
	(1)	(5)	-	-	(6)	186	180
Balance at 31 March 2005	925	497	597	56	2,075	186	2,261
Balance at 1 January 2006	1,047	482	896	(71)	2,354	762	3,116
Cash flow hedges							
- net changes in fair value, net of tax	-	-	3	-	3	-	3
- transfer to net profit, net of tax	-	-	2	-	2	-	2
Available-for-sale securities							
- net changes in fair value, net of tax	-	-	(133)	-	(133)	-	(133)
- transfer to net profit, net of tax	-	-	116	-	116	-	116
Currency translation differences	-	-	0	-	0	-	0
Net income/(expense) recognised directly in equity	-	-	(12)	-	(12)	-	(12)
Profit for the period	-	-	-	107	107	-	107
Total recognised income for the three months ended 31 March 2006	-	-	(12)	107	95	-	95
Sale of hybrid capital	-	-	-	(2)	(2)	22	20
Hybrid capital's dividend paid	-	-	-	(12)	(12)	-	(12)
Employee share option scheme:							
- Value of employee services	-	-	1	-	1	-	1
Purchase of treasury shares	(0)	(2)	-	-	(2)	-	(2)
	(0)	(2)	1	(14)	(15)	22	7
Balance at 31 March 2006	1,047	480	885	22	2,434	784	3,218
	Note 9	Note 9				Note 11	

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

	Note	Three months ended 31 March	
		2006 €million	2005 €million
Cash flows from operating activities			
Interest received and net trading receipts		461	373
Interest paid		(239)	(248)
Fees and commissions received		53	74
Fees and commissions paid		(16)	(37)
Dividends received		0	1
Other income received		2	1
Cash payments to employees and suppliers		(116)	(105)
Cash flows from operating profits before changes in operating assets and liabilities		145	59
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central bank		(7)	(12)
Net (increase)/decrease in financial instruments at fair-value-through-profit-or-loss		(396)	1,412
Net (increase)/decrease in loans and advances to banks		(82)	(134)
Net (increase)/decrease in loans and advances to customers		(1,210)	(803)
Net (increase)/decrease in other assets		290	(70)
Net increase/(decrease) in due to other banks		1,374	1,146
Net increase/(decrease) in due to customers		898	413
Net increase/(decrease) in other liabilities		(281)	(24)
Net cash from operating activities		731	1,987
Cash flows from investing activities			
Purchases of property, plant and equipment		(19)	(4)
Proceeds from sale of property, plant and equipment		1	1
Purchases of available-for-sale investment securities		(1,776)	(1,104)
Proceeds from sale of available-for-sale investment securities		1,482	334
Acquisition of subsidiary undertakings		(102)	-
Acquisition of associated undertakings		(0)	(33)
Proceeds from sale of subsidiary undertakings		8	-
Dividends from associated undertakings		0	-
Net cash from investing activities		(406)	(806)
Cash flows from financing activities			
Repayments of other borrowed funds	8	(50)	(28)
Proceeds from the issue of hybrid capital		-	197
Purchases of hybrid capital		-	(11)
Hybrid capital's dividends paid		(12)	-
Proceeds from sale of hybrid capital	11	22	-
Purchases of treasury shares		(2)	(6)
Net cash from financing activities		(42)	152
Net increase/(decrease) in cash and cash equivalents		283	1,333
Cash and cash equivalents at beginning of period		4,090	1,822
Cash and cash equivalents at end of period		4,373	3,155

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

These condensed interim financial statements were approved by the Board of Directors on 8 May 2006.

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 2005.

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 2005.

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 2005.

5. Investments in subsidiary undertakings**(a) Hellas on Line S.A.**

In January 2006, the Bank 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 € 12.2 million excludes the contingent consideration and is included in other operating income. The net cash inflow on disposal was € 8 million.

(b) EFG Mutual Funds Co. S.A.

In January 2006, the Bank increased its direct participation in EFG Mutual Funds Co. S.A. to 100% from 50%.

(c) Bancpost S.A., Bucharest

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

(d) Bulgarian Post Bank A.D., Sofia

In February 2006, the Bank participated in the share capital increase of Bulgarian Post Bank A.D. and its shareholding increased to 75.33% from 53.38%.

(e) Global Fund Management S.A.

In March 2006, the Bank increased its shareholding in Global Fund Management S.A. to 62.5% from 15%; the investment has been transferred from associated undertakings to subsidiary undertakings.

(f) Nacionalna Stedionica Banka A.D., Beograd

In March 2006, the Bank increased its shareholding in Nacionalna Stedionica Banka A.D., Beograd to 90.32% from 52.54%.

(g) Polbank Dystrybucja Sp. z o.o.

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

Post balance sheet events**(h) Eurobank Properties R.E.I.C.**

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

(i) Eurobank EFG Fund Management Co. (Lux) S.A.

In April 2006, the Bank established Eurobank EFG Fund Management Co. (Lux) S.A., a mutual fund management company operating in Luxembourg.

(j) 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.

(k) Tekfenbank A.S.

On 8 May 2006, the Bank announced the agreement of 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 third quarter 2006.

6. Investments in associated undertakings**(a) LogicDIS**

In January 2006, the Bank disposed of its 0.57% stake in its associated undertaking, LogicDIS. The loss on disposal, estimated at € 2.9 million, is included in other operating income.

7. Income tax expense

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

8. Other borrowed funds

During the three months ended 31 March 2006, the following repayments of other borrowed funds took place :

	Repayments €million
Long-term debt	
Securitised	
- floating rate	50
Total	50

9. 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
Purchase of treasury shares	-	(0)	(0)	-	(2)	(2)
At 31 March 2006	1,054	(7)	1,047	523	(43)	480

	Number of shares		
	Issued	Treasury shares	Net
At 1 January 2006	319,321,451	(1,885,524)	317,435,927
Purchase of treasury shares	-	(67,268)	(67,268)
At 31 March 2006	319,321,451	(1,952,792)	317,368,659

Post balance sheet events

In April 2006, the Annual General Meeting approved the following:

- (a) the distribution to shareholders of 2 bonus shares for every 10 held,
- (b) the distribution of 655,000 free shares to employees, also entitled to 2 bonus shares for every 10. Therefore, the total amount of free shares to employees is adjusted to 786,000 shares,
- (c) the cancellation of 786,000 treasury shares by the Bank, equal and opposite to (b) above, and
- (d) 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.

10. 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.

Post balance sheet events

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 still employed by the Bank.

11. 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 2006	178	397	187	762
Sale of hybrid capital	13	-	9	22
At 31 March 2006	191	397	196	784

As at 31 March 2006, the dividend attributable to hybrid capital holders amounts to € 10.5 million.

12. Contingent liabilities and capital expenditure commitments

As at 31 March 2006 the Bank's contingent liabilities in terms of guarantees and standby letters of credit amounted to € 11,383 million (31 December 2005: € 11,613 million) and the Bank's documentary credits amounted to € 63 million (31 December 2005: € 69 million).

Bank's capital commitments in terms of property, plant and equipment amounted to € 5 million (31 December 2005: € 9 million). The unused credit facilities as at 31 March 2006 amounted to € 9,344 million (31 December 2005: € 8,801 million).

13. Post balance sheet events

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

- Note 5 - Investments in subsidiary undertakings
- Note 9 - Ordinary share capital, share premium and treasury shares
- Note 10 - Share options
- Note 15 - Dividends

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

	31 March 2006			
	Subsidiaries	Key		
		EFG management	personnel	Other
€ million	€ million	€ million	€ million	
Loans and advances to banks	1,614	-	-	-
Financial instruments at fair-value-through-profit-or-loss	341	-	-	-
Available-for-sale investment securities	88	57	-	31
Derivative financial instruments assets	85	-	-	-
Loans and advances to customers	1,267	-	6	64
Other assets	69	-	-	-
Due to other banks	637	29	-	-
Derivative financial instruments liabilities	26	-	-	-
Due to customers and other borrowed funds	8,371	210	36	79
Other liabilities	(15)	1	0	-
Letters of guarantee issued	9,615	369	-	2
Letters of guarantee received	-	407	-	-
	three months ended 31 March 2006			
Net interest income/(expense)	(42)	(2)	(0)	1
Net banking fee and commission income/(expense)	10	0	-	0
Operating income/(expense)	(1)	-	-	-

	31 December 2005			
	Subsidiaries	Key		
		EFG management	personnel	Other
€ million	€ million	€ million	€ million	
Loans and advances to banks	1,395	-	-	-
Financial instruments at fair-value-through-profit-or-loss	150	-	-	-
Available-for-sale investment securities	86	30	-	25
Derivative financial instruments assets	67	-	-	-
Loans and advances to customers	1,174	-	6	126
Other assets	69	0	0	-
Due to other banks	114	24	-	-
Derivative financial instruments liabilities	28	-	-	-
Due to customers and other borrowed funds	8,588	290	21	74
Other liabilities	19	0	-	-
Letters of guarantee issued	9,871	361	-	2
Letters of guarantee received	-	517	-	-
	three months ended 31 March 2005			
Net interest income/(expense)	(23)	(2)	-	0

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 companies of the Group, the Bank had received cash collateral € 7,089 million as at 31 March 2006 and € 7,408 million as at 31 December 2005, which is included in due to customers.

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 € 3 million for the three months ended 31 March 2006 (three months ended 31 March 2005: € 2 million).

15. 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 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 will be accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2006 to 30 June 2006.