



**EFG EUROBANK ERGASIAS S.A.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED**

**30 SEPTEMBER 2007**

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

**Index to the Condensed Interim Financial Statements**

	<b>Page</b>
Interim Income Statement	3
Interim Balance Sheet	4
Interim Statement of Changes in Equity	5
Interim Cash Flow Statement	6
Selected Explanatory Notes to the Condensed Interim Financial Statements	
1 General information	7
2 Basis of preparation of condensed interim financial statements	7
3 Principal accounting policies	7
4 Critical accounting estimates and judgements in applying accounting policies	7
5 Investments in subsidiary undertakings	7
6 Income tax expense	7
7 Other borrowed funds	7
8 Ordinary share capital, share premium and treasury shares	8
9 Share options	8
10 Hybrid capital	9
11 Contingent liabilities and capital expenditure commitments	9
12 Post Balance Sheet events	9
13 Related party transactions	9
14 Dividends	10

	Note	Nine months ended 30 September		Three months ended 30 September	
		2007	2006	2007	2006
		€ million	€ million	€ million	€ million
Net interest income		1,081	950	380	328
Net banking fee and commission income		169	169	56	58
Income from non banking services		4	4	2	2
Dividend income		159	42	2	7
Net trading income/(loss)		63	19	31	(2)
Gains less losses from investment securities		70	60	10	29
Other operating income		9	11	1	(1)
<b>Operating income</b>		<b>1,555</b>	<b>1,255</b>	<b>482</b>	<b>421</b>
Operating expenses		(590)	(501)	(204)	(173)
Impairment losses on loans and advances		(252)	(235)	(87)	(79)
<b>Profit before tax</b>		<b>713</b>	<b>519</b>	<b>191</b>	<b>169</b>
Income tax expense	6	(106)	(100)	(38)	(31)
<b>Net profit for the period attributable to shareholders</b>		<b>607</b>	<b>419</b>	<b>153</b>	<b>138</b>

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

	Note	30 September 2007 € million	31 December 2006 € million
<b>ASSETS</b>			
Cash and balances with central bank		849	1,641
Loans and advances to banks		11,104	5,196
Financial instruments at fair value through profit or loss		443	574
Derivative financial instruments		659	574
Loans and advances to customers		34,952	30,183
Available-for-sale investment securities		8,474	10,019
Investments in subsidiary undertakings	5	1,617	1,091
Investments in associated undertakings		37	37
Intangible assets		40	11
Property, plant and equipment		461	452
Other assets		403	279
<b>Total assets</b>		<b>59,039</b>	<b>50,057</b>
<b>LIABILITIES</b>			
Due to other banks		12,066	11,550
Derivative financial instruments		833	734
Due to customers		36,623	30,363
Other borrowed funds	7	3,974	3,515
Other liabilities		624	733
<b>Total liabilities</b>		<b>54,120</b>	<b>46,895</b>
<b>EQUITY</b>			
Share capital	8	1,436	1,243
Share premium	8	1,378	183
Other reserves		1,322	950
<b>Ordinary shareholders' equity</b>		<b>4,136</b>	<b>2,376</b>
Hybrid capital	10	783	786
<b>Total</b>		<b>4,919</b>	<b>3,162</b>
<b>Total equity and liabilities</b>		<b>59,039</b>	<b>50,057</b>

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

	Attributable to ordinary shareholders of the Bank					Hybrid capital €million	Total €million
	Share capital €million	Share premium €million	Special reserves €million	Retained earnings €million	Total €million		
	<b>Balance at 1 January 2006</b>	1,047	482	896	(71)		
Cash flow hedges							
- net changes in fair value, net of tax	-	-	11	-	11	-	11
- transfer to net profit, net of tax	-	-	(5)	-	(5)	-	(5)
Available-for-sale securities							
- net changes in fair value, net of tax	-	-	(138)	-	(138)	-	(138)
- transfer to net profit, net of tax	-	-	69	-	69	-	69
Net income/(expense) recognised directly in equity	-	-	(63)	-	(63)	-	(63)
Profit for the period	-	-	-	419	419	-	419
Total recognised income for the nine months ended 30 September 2006	-	-	(63)	419	356	-	356
Issue of bonus shares by capitalisation of share premium	210	(210)	-	-	-	-	-
Expenses related to the issue of bonus shares	-	(3)	-	-	(3)	-	(3)
Distribution of free shares to executive directors, management and staff	2	19	-	-	21	-	21
Legal mergers	-	-	-	(1)	(1)	-	(1)
Purchase of hybrid capital	-	-	-	-	-	(25)	(25)
Sale of hybrid capital	-	-	-	(2)	(2)	51	49
Hybrid capital's dividend paid	-	-	-	(20)	(20)	-	(20)
Dividends for 2005	-	-	-	(171)	(171)	-	(171)
Employee share option scheme:							
- Value of employee services	-	-	4	-	4	-	4
Purchase of treasury shares	(15)	(91)	-	-	(106)	-	(106)
	197	(285)	4	(194)	(278)	26	(252)
<b>Balance at 30 September 2006</b>	1,244	197	837	154	2,432	788	3,220
<b>Balance at 1 January 2007</b>	1,243	183	771	179	2,376	786	3,162
Cash flow hedges							
- net changes in fair value, net of tax	-	-	(7)	-	(7)	-	(7)
- transfer to net profit, net of tax	-	-	(1)	-	(1)	-	(1)
Available-for-sale securities							
- net changes in fair value, net of tax	-	-	1	-	1	-	1
- transfer to net profit, net of tax	-	-	(32)	-	(32)	-	(32)
Net income/(expense) recognised directly in equity	-	-	(39)	-	(39)	-	(39)
Profit for the period	-	-	-	607	607	-	607
Total recognised income for the nine months ended 30 September 2007	-	-	(39)	607	568	-	568
Distribution of free shares to executive directors, management and staff	3	22	-	-	25	-	25
Share capital increase, net of expenses	169	1,044	-	-	1,213	-	1,213
Purchase of hybrid capital	-	-	-	-	-	(19)	(19)
Sale of hybrid capital	-	-	-	-	-	16	16
Hybrid capital's dividend paid	-	-	-	(22)	(22)	-	(22)
Dividends for 2006	-	-	-	(214)	(214)	-	(214)
Employee share option scheme:							
- Value of employee services	-	-	7	-	7	-	7
Purchase of treasury shares	(13)	(102)	-	-	(115)	-	(115)
Sale of treasury shares	34	231	33	-	298	-	298
	193	1,195	40	(236)	1,192	(3)	1,189
<b>Balance at 30 September 2007</b>	1,436	1,378	772	550	4,136	783	4,919
	Note 8	Note 8				Note 10	

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

	Note	Nine months ended 30 September	
		2007 € million	2006 € million
<b>Cash flows from operating activities</b>			
Interest received and net trading receipts		3,248	2,220
Interest paid		(2,072)	(1,205)
Fees and commissions received		223	216
Fees and commissions paid		(66)	(66)
Dividends received		0	1
Other income received		14	3
Cash payments to employees and suppliers		(483)	(423)
Income taxes paid		(19)	(99)
Cash flows from operating profits before changes in operating assets and liabilities		845	647
<b>Changes in operating assets and liabilities</b>			
Net (increase)/decrease in cash and balances with central bank		334	(7)
Net (increase)/decrease in financial instruments at fair value through profit or loss		110	29
Net (increase)/decrease in loans and advances to banks		(1,860)	(151)
Net (increase)/decrease in loans and advances to customers		(4,793)	(3,983)
Net (increase)/decrease in other assets		263	403
Net increase/(decrease) in due to other banks		504	1,465
Net increase/(decrease) in due to customers		6,105	3,717
Net increase/(decrease) in other liabilities		(572)	(429)
<b>Net cash from operating activities</b>		<b>936</b>	<b>1,691</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(72)	(60)
Proceeds from sale of property, plant and equipment		4	6
Purchases of available-for-sale investment securities		(4,866)	(4,386)
Proceeds from sale of available-for-sale investment securities		6,274	3,775
Acquisition of subsidiary undertakings and participation in capital increases		(527)	(271)
Proceeds from sale of subsidiary undertakings		-	15
Participation in capital increase in associated undertakings		-	(13)
Proceeds from sale of associated undertakings		-	0
Dividends from investment securities and associated undertakings		151	41
<b>Net cash from investing activities</b>		<b>964</b>	<b>(893)</b>
<b>Cash flows from financing activities</b>			
Proceeds from other borrowed funds	7	1,353	1,000
Repayments of other borrowed funds	7	(907)	(162)
Purchases of hybrid capital	10	(19)	(25)
Proceeds from sale of hybrid capital	10	16	51
Hybrid capital's dividend paid		(22)	(20)
Dividends paid	14	(214)	(171)
Issue of ordinary shares	8	1,229	-
Expenses for issue of ordinary and bonus shares		(4)	(3)
Purchases of treasury shares		(115)	(106)
Proceeds from sale of treasury shares		298	-
<b>Net cash from financing activities</b>		<b>1,615</b>	<b>564</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,515</b>	<b>1,362</b>
Cash and cash equivalents at beginning of period		4,835	4,090
<b>Cash and cash equivalents at end of period</b>		<b>8,350</b>	<b>5,452</b>

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 Central, Eastern and Southeastern Europe (New Europe).

These condensed interim financial statements were approved by the Board of Directors on 25 October 2007.

**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 2006. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period. Except as indicated, financial information presented in euro has been rounded to the nearest million.

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

**3. Principal accounting policies**

The same accounting policies and methods of computation are followed in these condensed interim financial statements as those in the published annual financial statements for the year ended 31 December 2006.

**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 2006.

**5. Investments in subsidiary undertakings****(a) S.C. EFG Eurolife Asigurari de Viata S.A., Bucharest**

In February 2007, the Bank in cooperation with EFG Eurolife General Insurance S.A., EFG Eurolife Life Insurance S.A., Eurobank Cards S.A. and EFG Business Services S.A. established S.C. EFG Eurolife Asigurari de Viata S.A., a life insurance company operating in Romania. The Bank's holding in the share capital of the company is 9.9%.

**(b) S.C. EFG Eurolife Asigurari Generale S.A., Bucharest**

In February 2007, the Bank in cooperation with EFG Eurolife General Insurance S.A., EFG Eurolife Life Insurance S.A., Eurobank Cards S.A. and EFG Business Services S.A. established S.C. EFG Eurolife Asigurari Generale S.A., a general insurance company operating in Romania. The Bank's holding in the share capital of the company is 9.9%.

**(c) New Europe Holding B.V., Amsterdam (formerly Cayne Management Group B.V.)**

In March 2007, the Bank acquired 100% of the share capital of Cayne Management Group B.V. (renamed New Europe Holding B.V.), a holding company operating in the Netherlands. In July 2007, the Bank increased the company's share capital by €500 million.

**(d) EFG Leasing IFN S.A., Bucharest (formerly EFG Eurobank Leasing S.A.)**

In May 2007, EFG Eurobank Leasing S.A. changed its name to EFG Leasing IFN S.A.

**(e) EFG Leasing A.D. Beograd**

In April 2007, the Bank participated in the company's share capital increase and its participation decreased to 50.24% from 51.14%.

**Post balance sheet event**

In October, the Bank did not participate in the company's share capital increase and its share decreased to 25.81%.

**(f) Eurobank EFG Stedionica A.D. Beograd**

In May 2007, the Bank did not participate in the company's share capital increase. The Bank's participation in the company decreased to 85.98% from 94.48%.

**(g) Themeleion IV, UK**

In June 2007, the Bank established Themeleion IV Holdings Limited and Themeleion IV Mortgage Finance PLC, special purpose entities, as part of the fourth securitisation of mortgage loans.

**(h) Be-Business Exchanges S.A.**

In June 2007, the Bank increased its participation in Be-Business Exchanges S.A. to 76.32% from 71.04% and in September 2007 to 96.37%.

**6. Income tax expense**

As of 1 January 2007, the nominal Greek corporate rate of tax is reduced to 25% from 29%.

**7. Other borrowed funds**

During the nine months ended 30 September 2007, the following new issues and repayments/repurchases of other borrowed funds took place :

	New issues €million	Repayments/ Repurchases €million
<b>Long-term debt</b>		
Securitised		
- floating rate	1,353	(907)
<b>Total</b>	<b>1,353</b>	<b>(907)</b>

In June 2007, the Bank proceeded with the fourth securitisation of mortgage loans through the transfer of the loans to Themeleion IV Mortgage Finance PLC, a special purpose entity incorporated in the United Kingdom, which in turn issued residential mortgage backed securities to investors. The total size of the issue amounts to €1,555 million, with €1,353 million of the Class A notes having been placed with international investors at par with a coupon of 3-month Euribor plus 13 basis points for five years. The Bank retained the subordinated notes (€155 million Class B notes and the €47 million Class C notes). The transaction has been accounted for as a collateralised borrowing with the mortgage loans being retained on the balance sheet and the liability being included within other borrowed funds.

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

The par value of the Bank's shares is adjusted to €2.75 from €3.30 per share due to the bonus issue of 2 shares for every 10 held. 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 2007	1,264	(21)	1,243	313	(130)	183
3 April 2007:						
- Distribution of free shares to executive directors, management and staff	3	-	3	22	-	22
14 September 2007:						
- Share capital increase	169	-	169	1,060	-	1,060
- Share capital increase expenses	-	-	-	(16)	-	(16)
Purchase of treasury shares	-	(13)	(13)	-	(102)	(102)
Sale of treasury shares	-	34	34	-	231	231
<b>At 30 September 2007</b>	<b>1,436</b>	<b>(0)</b>	<b>1,436</b>	<b>1,379</b>	<b>(1)</b>	<b>1,378</b>

	Number of shares		
	Issued	Treasury shares	Net
At 1 January 2007	383,188,108	(6,406,864)	376,781,244
3 April 2007:			
- Distribution of free shares to executive directors, management and staff	839,992	-	839,992
- Bonus issue of 2 shares for every 10 held with the adjustment of the par value of the shares from €3.30 to €2.75	76,805,620	(290,588)	76,515,032
14 September 2007:			
- Share capital increase	61,444,496	-	61,444,496
Purchase of treasury shares	-	(4,152,092)	(4,152,092)
Sale of treasury shares	-	10,746,158	10,746,158
<b>At 30 September 2007</b>	<b>522,278,216</b>	<b>(103,386)</b>	<b>522,174,830</b>

In April 2007, the Annual General Meeting approved the renewal of the treasury shares special scheme for one year within the price range of €4.88 to €30.89 per share (adjusted for the issue of 2 shares for every 10 held and the rights issue of 2 new shares for every 15 held) for a total of up to 5% of the Bank's shares.

On 2 August 2007, the Bank's Repeat Extraordinary General Shareholders Meeting approved the share capital increase of €1,229 million in cash in favour of existing shareholders, in a ratio of 2 new shares for every 15 held at a price of €20 for each new share. The share capital increase was fully subscribed to and paid up on 14 September 2007. The new shares commenced trading on the Athens Exchange on 25 September 2007.

**Post balance sheet events**

On 17 October 2007, the Board of Directors decided to propose to the Extraordinary General Meeting of the Shareholders, which will convene on 9 November 2007, the following:

- the increase of the share capital of the Bank through the reinvestment of the interim dividend for the year 2007,
- granting the authority to the Board of Directors to increase the share capital of the Bank up to €150 million within the next 3 years to enable the reinvestment of dividends,
- the increase of the share capital of the Bank up to €22 million in cash, through private placement to institutional investors abroad, foregoing pre-emption rights to existing shareholders, and
- the distribution of 170,000 free shares to employees with partial capitalisation of taxed reserves formed up to the year ended 31 December 2005.

**9. 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.

In April 2007, within the umbrella share options programme approved by the Repeat Annual General Meeting on 17 April 2006, the Board of Directors granted 1,483,851 share options with a strike price of €13.82 per share (adjusted for the issue of 2 shares for every 10 held and the rights issue of 2 new shares for every 15 held) to executive directors, management and employees. These may be exercised in December 2009, 2010, 2011 and 2012 if the holders are still employed by the Bank.



**10. 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 2007	194	396	196	786
Purchase of hybrid capital	(10)	-	(9)	(19)
Sale of hybrid capital	7	-	9	16
<b>At 30 September 2007</b>	<b>191</b>	<b>396</b>	<b>196</b>	<b>783</b>

The rate of hybrid capital for the Tier 1 Issue series A has been determined to 4.297% for the period March 18, 2007 to March 17, 2008.

As at 30 September 2007, the dividend attributable to hybrid capital holders amounts to €30 million.

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

As at 30 September 2007 the Bank's contingent liabilities in terms of guarantees and standby letters of credit amounted to €19,547 million (31 December 2006: €15,322 million) and the Bank's documentary credits amounted to €66 million (31 December 2006: €84 million).

Bank's capital commitments in terms of property, plant and equipment amounted to €9 million (31 December 2006: €17 million).

**12. Post balance sheet events**

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

Note 5 - Investments in subsidiary undertakings

Note 8 - Ordinary share capital, share premium and treasury shares

Note 14 - Dividends

**13. 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 Bank.

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

	30 September 2007			
	Subsidiaries €million	EFG Group		Other €million
		€million	Key management personnel €million	
Loans and advances to banks	6,274	-	-	-
Financial instruments at fair value through profit or loss	120	-	-	-
Available-for-sale investment securities	222	62	-	46
Derivative financial instruments asset	83	-	-	-
Loans and advances to customers	1,822	32	12	33
Other assets	33	-	0	-
Due to other banks	2,217	181	-	-
Derivative financial instruments liabilities	48	-	2	-
Due to customers	15,420	66	39	61
Other liabilities	29	1	-	-
Letters of guarantee issued	16,480	377	-	1
Letters of guarantee received	-	407	-	-
	<b>nine months ended 30 September 2007</b>			
Net interest income/(expense)	(247)	(14)	(1)	(1)
Net banking fee and commission income/(expense)	25	0	0	0
Dividend income	147	-	-	2
Other operating income/(expense)	(12)	(2)	-	-
Impairment losses on loans and advances	(7)	-	-	-

## 13. Related party transactions (continued)

	31 December 2006			
	Subsidiaries	EFG Group	Key management personnel	Other
	€ million	€ million	€ million	€ million
Loans and advances to banks	2,680	0	-	-
Financial instruments at fair value through profit or loss	119	-	-	-
Available-for-sale investment securities	222	62	-	51
Derivative financial instruments asset	71	-	-	-
Loans and advances to customers	2,026	-	10	5
Other assets	34	-	-	-
Due to other banks	1,086	509	-	-
Derivative financial instruments liabilities	55	-	2	-
Due to customers	11,468	304	41	59
Other liabilities	33	1	-	-
Letters of guarantee issued	13,058	377	-	2
Letters of guarantee received	-	407	-	-
	<b>nine months ended 30 September 2006</b>			
Net interest income/(expense)	(153)	(10)	(1)	1
Net banking fee and commission income/(expense)	33	0	-	0
Dividend income	37	-	-	-
Other operating income/(expense)	(8)	(3)	-	-

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

In relation to the letters of guarantee issued to the Bank's subsidiaries, the Bank had received cash collateral €13,094 million as at 30 September 2007 and €10,140 million as at 31 December 2006, which is included in due to customers.

No provisions have been recognised in respect of loans given to related parties (2006: Nil)

**Key management compensation (including directors)**

Key management personnel are entitled to compensation in the form of short-term employee benefits €8.8 million for the nine months ended 30 September 2007 (30 September 2006: €8.6 million) and long-term employee benefits €3.8 million (30 September 2006: €1.7 million).

## 14. Dividends

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

The Annual General Meeting on 3 April 2007 approved a dividend in respect of 2006 of €0.75 per share (as adjusted for the issue of 2 shares for every 10 held and the rights issue of 2 new shares for every 15 held) representing a total dividend of €350 million. An interim dividend of €0.29 per share (adjusted as above) amounting to €136 million had been paid in December 2006 in accordance with the decision of the Board of Directors on 31 October 2006. The remaining final dividend of €0.46 per share amounting to €214 million was paid in April 2007 and has been accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2007 to 30 June 2007.

**Post balance sheet event**

On 17 October 2007, the Board of Directors decided to propose to the Extraordinary General Meeting of the Shareholders, which will convene on 9 November 2007, the distribution of an interim dividend of €0.32 per share as part of the dividend for the fiscal year 2007.

Athens, 25 October 2007

CHAIRMAN OF THE BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CHIEF ACCOUNTANT

**Xenophon C. Nickitas**  
I.D. No Θ - 914611

**Nicholas C. Nanopoulos**  
I.D. No Σ - 237468

**Paula Hadjisotiriou**  
I.D. No T - 005040

**Dimitrios K. Mitrotolis**  
I.D No Π-064395