



EFG EUROBANK ERGASIAS S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2007

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[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of EFG EUROBANK ERGASIAS S.A.

Introduction

We have reviewed the accompanying condensed balance sheet of EFG EUROBANK ERGASIAS SA as of 30 June 2007 and the related condensed statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting ('IAS 34'). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Athens, 31 July 2007

PRICEWATERHOUSECOOPERS 

	Note	Six months ended 30 June		Three months ended 30 June	
		2007	2006	2007	2006
		€ million	€ million	€ million	€ million
Net interest income		701	622	358	319
Net banking fee and commission income		113	111	55	59
Income from non banking services		2	2	1	1
Dividend income		157	35	150	35
Net trading income/(loss)		32	21	18	13
Gains less losses from investment securities		60	31	26	18
Other operating income		8	12	7	2
Operating income		1,073	834	615	447
Operating expenses		(386)	(328)	(200)	(165)
Impairment losses on loans and advances		(165)	(156)	(83)	(75)
Profit before tax		522	350	332	207
Income tax expense	6	(68)	(69)	(29)	(33)
Net profit for the period attributable to shareholders		454	281	303	174

Notes on pages 8 to 11 form an integral part of these condensed interim financial statements

	Note	30 June 2007 €million	31 December 2006 € million
ASSETS			
Cash and balances with central bank		1,353	1,641
Loans and advances to banks		8,157	5,196
Financial instruments at fair-value-through-profit-or-loss		386	574
Derivative financial instruments		710	574
Loans and advances to customers		33,520	30,183
Available-for-sale investment securities		9,262	10,019
Investments in subsidiary undertakings	5	1,101	1,091
Investments in associated undertakings		37	37
Intangible assets		36	11
Property, plant and equipment		452	452
Other assets		386	279
Total assets		55,400	50,057
LIABILITIES			
Due to other banks		11,234	11,550
Derivative financial instruments		825	734
Due to customers		35,095	30,363
Other borrowed funds	7	4,201	3,515
Other liabilities		479	733
Total liabilities		51,834	46,895
EQUITY			
Share capital	8	1,262	1,243
Share premium	8	291	183
Other reserves		1,231	950
Ordinary shareholders' equity		2,784	2,376
Hybrid capital	10	782	786
Total		3,566	3,162
Total equity and liabilities		55,400	50,057

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	Attributable to ordinary shareholders of the Bank				Total €million	Hybrid capital €million	Total €million
	Share capital €million	Share premium €million	Special reserves €million	Retained earnings €million			
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	-	-	4	-	4	-	4
- transfer to net profit, net of tax	-	-	4	-	4	-	4
Available-for-sale securities							
- net changes in fair value, net of tax	-	-	(270)	-	(270)	-	(270)
- transfer to net profit, net of tax	-	-	168	-	168	-	168
Net income/(expense) recognised directly in equity	-	-	(94)	-	(94)	-	(94)
Profit for the period	-	-	-	281	281	-	281
Total recognised income for the six months ended 30 June 2006	-	-	(94)	281	187	-	187
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
Legal mergers	-	-	-	(1)	(1)	-	(1)
Changes in participating interests in subsidiary and associated undertakings	-	-	1	-	1	-	1
Purchase of hybrid capital	-	-	-	-	-	(19)	(19)
Sale of hybrid capital	-	-	-	(2)	(2)	45	43
Hybrid capital's dividend paid	-	-	-	(17)	(17)	-	(17)
Dividends for 2005	-	-	-	(171)	(171)	-	(171)
Employee share option scheme:							
- Value of employee services	-	-	2	-	2	-	2
Purchase of treasury shares	(6)	(40)	-	-	(46)	-	(46)
	<u>206</u>	<u>(233)</u>	<u>3</u>	<u>(191)</u>	<u>(215)</u>	<u>26</u>	<u>(189)</u>
Balance at 30 June 2006	1,253	249	805	19	2,326	788	3,114
Balance at 1 January 2007	1,243	183	771	179	2,376	786	3,162
Cash flow hedges							
- net changes in fair value, net of tax	-	-	14	-	14	-	14
- transfer to net profit, net of tax	-	-	(0)	-	(0)	-	(0)
Available-for-sale securities							
- net changes in fair value, net of tax	-	-	(52)	-	(52)	-	(52)
- transfer to net profit, net of tax	-	-	61	-	61	-	61
Net income/(expense) recognised directly in equity	-	-	23	-	23	-	23
Profit for the period	-	-	-	454	454	-	454
Total recognised income for the six months ended 30 June 2007	-	-	23	454	477	-	477
Distribution of free shares to executive directors, management and staff	3	22	-	-	25	-	25
Purchase of hybrid capital	-	-	-	-	-	(16)	(16)
Sale of hybrid capital	-	-	-	-	-	12	12
Hybrid capital's dividend paid	-	-	-	(19)	(19)	-	(19)
Dividends for 2006	-	-	-	(214)	(214)	-	(214)
Employee share option scheme:							
- Value of employee services	-	-	4	-	4	-	4
Purchase of treasury shares	(9)	(73)	-	-	(82)	-	(82)
Sale of treasury shares	25	159	33	-	217	-	217
	<u>19</u>	<u>108</u>	<u>37</u>	<u>(233)</u>	<u>(69)</u>	<u>(4)</u>	<u>(73)</u>
Balance at 30 June 2007	1,262	291	831	400	2,784	782	3,566
	Note 8	Note 8				Note 10	

Notes on pages 8 to 11 form an integral part of these condensed interim financial statements

	Note	Six months ended 30 June	
		2007 € million	2006 € million
Cash flows from operating activities			
Interest received and net trading receipts		1,717	1,303
Interest paid		(1,217)	(690)
Fees and commissions received		139	137
Fees and commissions paid		(39)	(45)
Dividends received		0	0
Other income received		11	0
Cash payments to employees and suppliers		(313)	(269)
Income taxes paid		(8)	(99)
Cash flows from operating profits before changes in operating assets and liabilities		<u>290</u>	<u>337</u>
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central bank		84	26
Net (increase)/decrease in financial instruments at fair-value-through-profit-or-loss		154	131
Net (increase)/decrease in loans and advances to banks		(1,497)	(124)
Net (increase)/decrease in loans and advances to customers		(3,191)	(2,448)
Net (increase)/decrease in other assets		421	242
Net increase/(decrease) in due to other banks		(312)	1,052
Net increase/(decrease) in due to customers		4,580	1,283
Net increase/(decrease) in other liabilities		(601)	(265)
Net cash from operating activities		<u>(72)</u>	<u>234</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(46)	(38)
Proceeds from sale of property, plant and equipment		3	1
Purchases of available-for-sale investment securities		(3,126)	(3,180)
Proceeds from sale of available-for-sale investment securities		3,756	2,249
Acquisition of subsidiary undertakings		(11)	(194)
Proceeds from sale of subsidiary undertakings		-	15
Proceeds from sale of associated undertakings		-	0
Dividends from investment securities and associated undertakings		77	27
Net cash from investing activities		<u>653</u>	<u>(1,120)</u>
Cash flows from financing activities			
Proceeds from other borrowed funds	7	1,353	1,000
Repayments of other borrowed funds	7	(658)	(52)
Purchases of hybrid capital	10	(16)	(19)
Proceeds from sale of hybrid capital	10	12	45
Hybrid capital's dividend paid		(19)	(17)
Dividends paid	13	(214)	(171)
Expenses for issue of bonus shares		(0)	(2)
Purchases of treasury shares		(82)	(46)
Proceeds from sale of treasury shares		217	-
Net cash from financing activities		<u>593</u>	<u>738</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,174</u>	<u>(148)</u>
Cash and cash equivalents at beginning of period		4,835	4,090
Cash and cash equivalents at end of period		<u>6,009</u>	<u>3,942</u>

Notes on pages 8 to 11 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 30 July 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.

(d) EFG Leasing A.D. Beograd

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

(e) 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 85.99% from 94.48%.

(f) 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.

(g) 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%.

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

	New issues €million	Repayments/ Repurchases €million
Long-term debt		
Securitised		
- floating rate	1,353	(658)
Total	1,353	(658)

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
Purchase of treasury shares	-	(9)	(9)	-	(73)	(73)
Sale of treasury shares	-	25	25	-	159	159
At 30 June 2007	1,267	(5)	1,262	335	(44)	291

	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
Purchase of treasury shares	-	(2,813,501)	(2,813,501)
Sale of treasury shares	-	7,451,005	7,451,005
At 30 June 2007	460,833,720	(2,059,948)	458,773,772

In April 2007, the Annual General Meeting approved the renewal of the treasury shares special scheme for one year within the price range of €5 to €31.67 per share (adjusted for the issue of free shares in accordance with the decision of the Annual General Shareholders' Meeting) for a total of up to 5% of the Bank's shares.

On 25 June 2007, the Board of Directors decided to propose to the Extraordinary General Meeting of the Shareholders a share capital increase of approx. €1.2 billion in cash in favour of existing shareholders. The Extraordinary General Meeting has been convened for 2 August 2007.

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 Annual General Meeting in April 2006, the Board of Directors granted 1,447,200 share options with a strike price of €14.17 per share (adjusted for the issue of free shares in accordance with the decision of the Annual General Shareholders' Meeting) 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	(9)	-	(7)	(16)
Sale of hybrid capital	5	-	7	12
At 30 June 2007	190	396	196	782

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 June 2007, the dividend attributable to hybrid capital holders amounts to €20 million.

11. Contingent liabilities and capital expenditure commitments

As at 30 June 2007 the Bank's contingent liabilities in terms of guarantees and standby letters of credit amounted to €18,451 million (31 December 2006: €15,322 million) and the Bank's documentary credits amounted to €84 million (31 December 2006: €84 million).

Bank's capital commitments in terms of property, plant and equipment amounted to € 13 million (31 December 2006: €17 million).

12. 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 June 2007			
	Subsidiaries	EFG Group	Key management personnel	
			Other	
€ million	€ million	€ million	€ million	€ million
Loans and advances to banks	4,424	-	-	-
Financial instruments at fair-value-through-profit-or-loss	81	-	-	-
Available-for-sale investment securities	240	63	-	47
Derivative financial instruments asset	88	-	-	-
Loans and advances to customers	1,968	-	10	4
Other assets	31	-	-	-
Due to other banks	994	69	-	-
Derivative financial instruments liabilities	98	-	2	-
Due to customers	13,938	288	41	74
Other liabilities	21	1	-	-
Letters of guarantee issued	15,563	377	-	1
Letters of guarantee received	-	407	-	-
	six months ended 30 June 2007			
Net interest income/(expense)	(156)	(10)	(0)	(1)
Net banking fee and commission income/(expense)	16	0	0	0
Dividend income	147	-	-	2
Other operating income/(expense)	(8)	(1)	-	-
Impairment losses on loans and advances to customers	(5)	-	-	-
	31 December 2006			
Subsidiaries	EFG Group	Key management personnel		Other
€ million	€ 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	-	-
	six months ended 30 June 2006			
Net interest income/(expense)	(97)	(4)	(0)	1
Net banking fee and commission income/(expense)	19	0	-	0
Dividend income	31	-	-	-
Other operating income/(expense)	(5)	(2)	-	-

12. Related party transactions (continued)

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

In relation to the letters of guarantee issued to the Bank's subsidiaries, the Bank had received cash collateral €12,230 million as at 30 June 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 €5.9 million for the six months ended 30 June 2007 (30 June 2006: €5.8 million) and long-term employee benefits €2.6 million (30 June 2006: €1 million).

13. 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 €0.77 per share (as adjusted following the bonus issue of 2 shares for every 10 held) representing a total dividend of €350 million. An interim dividend of €0.30 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 €0.47 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.

Athens, 30 July 2007

CHAIRMAN OF THE BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

HEAD OF GROUP FINANCIAL SERVICES

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

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

Paula Hadjisotiriou
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