EFG EUROBANK ERGASIAS S.A.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

31 MARCH 2012

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Company Registration No: 6068/06/B/86/07

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	Note	Three months ended 31 March 2012 € million	2011 € million
Net interest income		**426**	489
Net banking fee and commission income		**55**	70
Net insurance income		**5**	11
Income from non banking services		**8**	7
Dividend income		**0**	0
Net trading income		**65**	6
Gains less losses from investment securities		**(23)**	(91)
Other operating income		**0**	0
Operating income		**536**	492
Operating expenses		**(273)**	(288)
Profit from operations before impairment losses on loans and advances and Greek sovereign debt		**263**	204
Impairment losses on loans and advances	12	**(360)**	(336)
Impairment losses on Greek sovereign debt	6	**(199)**	-
Share of results of associates and joint ventures		**(1)**	(0)
Profit/(loss) before tax		**(297)**	(132)
Income tax	10	**58**	26
Profit/(loss) for the period from continuing operations		**(239)**	(106)
Profit/(loss) for the period from discontinued operations	11	**6**	184
Net profit/(loss) for the period		**(233)**	78
Net profit for the period attributable to non controlling interest		**3**	4
Net profit/(loss) for the period attributable to shareholders		**(236)**	74

		€	€
Earnings/(losses) per share			
-Basic and diluted earnings/(losses) per share	9	**(0.10)**	0.10
Earnings/(losses) per share from continuing operations			
-Basic and diluted earnings/(losses) per share	9	**(0.11)**	(0.25)

Notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial statements

	Note	31 March 2012 € million	31 December 2011 € million
ASSETS			
Cash and balances with central banks		**1,889**	3,286
Loans and advances to banks		**6,830**	6,988
Financial instruments at fair value through profit or loss		**549**	503
Derivative financial instruments		**1,740**	1,818
Loans and advances to customers		**45,375**	48,094
Investment securities	13	**10,154**	11,383
Property, plant and equipment		**1,272**	1,304
Intangible assets		**453**	465
Other assets	15	**3,303**	2,981
Assets of disposal group classified as held for sale	11	**2,022**	-
Total assets		**73,587**	76,822
LIABILITIES			
Secured borrowing from banks		**33,756**	34,888
Other deposits from banks		**912**	1,043
Derivative financial instruments		**2,797**	3,013
Due to customers		**30,505**	32,459
Debt issued and other borrowed funds	16	**1,938**	2,671
Other liabilities		**1,834**	1,873
Liabilities of disposal group classified as held for sale	11	**1,363**	-
Total liabilities		**73,105**	75,947
EQUITY			
Ordinary share capital	17	**1,226**	1,226
Share premium	17	**1,438**	1,439
Other reserves		**(3,822)**	(3,763)
Preference shares	18	**950**	950
Preferred securities	19	**420**	745
Non controlling interest		**270**	278
Total		**482**	875
Total equity and liabilities		**73,587**	76,822

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	Three months ended 31 March			
	2012 € million		2011 € million	
Profit/(loss) for the period		**(233)**		78
Other comprehensive income:				
Cash flow hedges				
- net changes in fair value, net of tax	**(16)**		(5)	
- transfer to net profit, net of tax	**(6)**	**(22)**	1	(4)
Available for sale securities				
- net changes in fair value, net of tax	**44**		(12)	
- transfer to net profit, net of tax	**1**	**45**	25	13
Foreign currency translation				
- net changes in fair value, net of tax	**(23)**		(3)	
- transfer to net profit, net of tax	**-**	**(23)**	4	1
Other comprehensive income for the period		**0**		10
Total comprehensive income for the period attributable to:				
Shareholders				
- from continuing operations	**(251)**		(93)	
- from discontinued operations	**15**	**(236)**	177	84
Non controlling interest				
- from continuing operations	**3**		4	
- from discontinued operations	**0**	**3**	0	4
		(233)		88

Notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Statement of Changes in Equity
for the three months ended 31 March 2012

	Ordinary share capital € million	Share premium € million	Special reserves € million	Retained earnings € million	Preference shares € million	Preferred securities € million	Non controlling interest € million	Total € million
Balance at 1 January 2011	1,478	1,440	644	469	950	791	322	6,094
Other comprehensive income for the period	-	-	10	-	-	-	0	10
Profit/(loss) for the period	-	-	-	74	-	-	4	78
Total comprehensive income for the three months ended 31 March 2011	-	-	10	74	-	-	4	88
Acquisitions/changes in participating interests in subsidiary and associated undertakings	-	-	67	(23)	-	-	(48)	(4)
Purchase/sale of preferred securities	-	-	-	8	-	(16)	-	(8)
Preference shares' and preferred securities' dividend paid	-	-	-	(13)	-	-	-	(13)
Dividends distributed by subsidiaries attributable to non controlling interest	-	-	-	-	-	-	0	0
Share-based payment:								
- Value of employee services	-	-	(2)	-	-	-	-	(2)
Purchase of treasury shares	(1)	(0)	-	-	-	-	-	(1)
Sale of treasury shares, net of tax and related expenses	2	0	-	(7)	-	-	-	(5)
	1	0	65	(35)	-	(16)	(48)	(33)
Balance at 31 March 2011	1,479	1,440	719	508	950	775	278	6,149
Balance at 1 January 2012	**1,226**	**1,439**	**1,276**	**(5,039)**	**950**	**745**	**278**	**875**
Other comprehensive income for the period	-	-	0	-	-	-	0	**0**
Profit/(loss) for the period	-	-	-	(236)	-	-	3	**(233)**
Total comprehensive income for the three months ended 31 March 2012	**-**	**-**	**0**	**(236)**	**-**	**-**	**3**	**(233)**
Purchase/sale of preferred securities	-	-	-	191	-	(325)	-	**(134)**
Preference shares and preferred securities' dividend paid	-	-	-	(14)	-	-	-	**(14)**
Dividends distributed by subsidiaries attributable to non controlling interest	-	-	-	-	-	-	(11)	**(11)**
Share-based payment:								
- Value of employee services	-	-	(0)	-	-	-	-	**(0)**
Purchase of treasury shares	(0)	(0)	-	-	-	-	-	**(0)**
Sale of treasury shares, net of tax and related expenses	0	(1)	-	-	-	-	-	**(1)**
	0	**(1)**	**(0)**	**177**	**-**	**(325)**	**(11)**	**(160)**
Balance at 31 March 2012	**1,226**	**1,438**	**1,276**	**(5,098)**	**950**	**420**	**270**	**482**
	Note 17	Note 17			Note 18	Note 19		

Notes on pages 8 to 18 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Cash Flow Statement
for the three months ended 31 March 2012

	Three months ended 31 March	
	2012	2011
	€ million	€ million
Cash flows from operating activities		
Interest received and net trading receipts	**744**	641
Interest paid	**(448)**	(259)
Fees and commissions received	**86**	111
Fees and commissions paid	**(30)**	(27)
Cash payments to employees and suppliers	**(212)**	(223)
Income taxes paid	**(3)**	(23)
Cash flows from continuing operating profits before changes in operating assets and liabilities	**137**	220
Changes in operating assets and liabilities		
Net (increase)/decrease in cash and balances with central banks	**1,281**	(370)
Net (increase)/decrease in financial instruments at fair value through profit or loss	**2**	63
Net (increase)/decrease in loans and advances to banks	**478**	1,524
Net (increase)/decrease in loans and advances to customers	**860**	1,153
Net (increase)/decrease in derivative financial instruments	**(221)**	(349)
Net (increase)/decrease in other assets	**(250)**	(38)
Net increase/(decrease) in due to banks	**(841)**	(2,094)
Net increase/(decrease) in due to customers	**(1,254)**	(815)
Net increase/(decrease) in other liabilities	**(77)**	30
Net cash from/(used in) continuing operating activities	**115**	(676)
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	**(21)**	(42)
Proceeds from sale of property, plant and equipment and intangible assets	**1**	4
(Purchases)/sales and redemptions of investment securities	**1,030**	378
Disposal of foreign operations, net of cash and cash equivalents disposed	**-**	(143)
Dividends from investment securities and associated undertakings	**0**	-
Net cash from/(used in) continuing investing activities	**1,010**	197
Cash flows from financing activities		
Proceeds from debt issued and other borrowed funds	**3**	15
Repayments of debt issued and other borrowed funds	**(658)**	(836)
Purchase of preferred securities	**(134)**	(14)
Proceeds from sale of preferred securities	**0**	7
Preference shares' and preferred securities' dividend paid	**(14)**	(12)
Purchase of treasury shares	**(0)**	(1)
Proceeds from sale of treasury shares	**0**	2
Net contributions by non controlling interest	**(11)**	(0)
Net cash from/(used in) continuing financing activities	**(814)**	(839)
Effect of exchange rate changes on cash and cash equivalents	**(11)**	(2)
Net increase/(decrease) in cash and cash equivalents from continuing operations	**300**	(1,320)
Net cash flows from discontinued operating activities	**(160)**	19
Net cash flows from discontinued investing activities	**168**	37
Net increase/(decrease) in cash and cash equivalents from discontinued operations	**8**	56
Cash and cash equivalents at beginning of period	**3,124**	4,044
Cash and cash equivalents at end of period	**3,432**	2,780

Notes on pages 8 to 18 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 Central, Eastern and Southeastern Europe.

These condensed consolidated interim financial statements were approved by the Board of Directors on 31 May 2012.

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 2011. 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.

Going concern considerations

The financial statements have been prepared on a going concern basis. In making its assessment of the Group's ability to continue as a going concern, the Board of Directors has taken into consideration the impact of the following factors:

Solvency risk

The Group has incurred substantial impairment losses as a result of the Hellenic Republic's debt restructuring (PSI+). Such losses had a respective impact on the accounting and regulatory capital of the Group as of 31 December 2011, which fell below the minimum capital requirements as determined by the Bank of Greece.

Bank of Greece is currently in the process of assessing the capital needs of the Group in order to be able to reach the level of Core Tier I capital of 9% at 30 September 2012 and 10% at 30 June 2013. This assessment takes into account, inter alia, the PSI impairment losses, the results of Blackrock's diagnostic review and the Group's business plan which also include certain capital strengthening actions.

HFSF (Hellenic Financial Stability Fund) already advanced to the Bank EFSF notes of € 3.97 bn (face value) as an advance payment of its participation in the future share capital increase of the Bank. The said advance qualifies as Tier I capital and brings the total Capital Adequacy ratio above the current minimum level of 8%. In the event that capital needs, as eventually determined by BoG, are higher, any remaining capital shortfall following the private investor contribution, would need to be covered by the second tranche of the recapitalisation facility which is conditional on the next EC/ECB/IMF review report on the program implementation by the Greek government.

Liquidity risk

The inability of the Greek banks to gain access to the international capital and money markets and the reduction of deposits due to heightened sovereign risk and deterioration of the Greek economy led to an increased reliance of the Group to Eurosystem financing facilities. These conditions pose a significant ongoing liquidity challenge for the Group and the Greek Banking system in general. The Group expects that the ECB and Bank of Greece facilities will continue to be available, until the normalization of market conditions.

Other economic uncertainties

The continued deterioration of the Greek economy has adversely affected the Group's operations and presents significant risks and challenges for the years ahead. Currently, there are a number of material economic, political and market risks and uncertainties that impact the Greek banking system. The main risks stem from the adverse macroeconomic environment, the developments on the eurozone sovereign debt crisis and the success, or otherwise, of the significant fiscal adjustment efforts and their impact on the Greek economy. The progress made to date could be compromised by external shocks from the global economy as well as implementation risks, reform fatigue and political instability in Greece. The restoration of confidence after the successful implementation of the PSI+ agreement, the attraction of new investments and the revival of economic growth remain the key challenges of the Greek economy.

Continuation of the recession could adversely affect the region and could lead to lower profitability, deterioration of asset quality and further reduction of deposits. In addition, increased funding cost remains a significant risk, as it is dependent on both the level of sovereign spreads as well as on foreign exchange rate risk, due to the unstable nature of some currencies.

Notwithstanding the conditions and uncertainties mentioned above, the Directors, having considered the mitigating factors set out below, have a reasonable expectation that the recapitalisation of the Group will be promptly and successfully completed and hence are satisfied that the financial statements of the Group can be prepared on a going concern basis:

(a) Bank of Greece (BoG) recommendation of 18 April 2012 and 23 May 2012 for the Group's accession to the provisions of article 6 par. 8 and 10 respectively of Law 3864/2010 as amended (Establishment of the Hellenic Financial Stability Fund-HFSF and Recapitalisation of Greek financial institutions),

(b) the HFSF's advance contribution of € 3.97 bn, following the relevant application submitted by the Group and the confirmation received by the BoG about the viability and credibility of the Group's business plan, in order to ensure that the Group is sufficiently capitalized to the current minimum level of 8% (Total Capital Adequacy Ratio),

(c) the availability of additional recapitalisation funds from the official sector that can support any capital needs on top of the amounts already committed by HFSF,

(d) the existence of the comprehensive financial support program of the EC/ECB/IMF (including the € 50 bn recapitalisation facility), aiming to correct Greece's competitiveness gap and restore growth, employment and public debt sustainability and secure the banking system stability,

(e) the Greek authorities' commitment to support the banking system and create a viable and well capitalised private banking sector, and

(f) the Group's continued access to Eurosystem funding (ECB and ELA liquidity facilities) over the foreseeable future.

3. Principal accounting policies

The accounting policies and methods of computation in these condensed consolidated interim financial statements are consistent with those in the published consolidated annual financial statements for the year ended 31 December 2011.

The following amendments to standards and interpretations are effective from 1 January 2012, but currently, they do not have a significant effect to the Group's financial statements:

- IFRS 7, Amendment - Disclosures, Transfers of Financial Assets

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 2011.

5. Greek Economy Liquidity Support Program

The Bank participates in the Greek Government's plan to support liquidity in the Greek economy under Law 3723/2008, as amended by Laws 3844/2010, 3845/2010, 3872/2010 and 3965/2011 and extended by Ministerial decision 57863/B.2535/29.12.2011, as follows:

(a) First stream - preference shares
345,500,000 non-voting preference shares with nominal value of € 950 million were subscribed to by the Hellenic Republic on 21 May 2009 (note 18).

(b) Second stream - bonds guaranteed by the Hellenic Republic
As at 31 March 2012, the government guaranteed bonds, totalling to € 17,776 million, were fully retained by the Bank and its subsidiaries (note 16).

(c) Third stream - lending of Greek Government bonds
Liquidity obtained under this stream must be used to fund mortgages and loans to small and medium-size enterprises. As at 31 March 2012, there were no special Greek Government bonds borrowed by the Bank.

Under Law 3723/2008, as amended by Law 3965/2011, for the period the Bank participates in the program through the preference shares or the guaranteed bonds (streams (a) and (b) above), the Government is entitled to appoint its representative to the Board of Directors, veto strategic decisions, decisions which alter substantially the legal or financial position of the Bank and require the General Assembly's approval and dividend distributions as well as restrict management remuneration.

In addition, under Law 3756/2009, as amended by Law 3844/2010 and supplemented by Laws 3965/2011 and 4063/2012, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 to date, and are not allowed to acquire treasury shares under article 16 of the Company Law.

6. Credit exposure to Greek sovereign debt

Greek Government bonds exchanged under PSI+ in 2012

On 21 February 2012, Euro Area finance ministers agreed on a bail out programme for Greece, including financial assistance from the official sector and a voluntary debt exchange agreed with the Private Sector.

The key terms and conditions of the final voluntary debt exchange package (PSI+) are as follows:

(a) For every bond selected to participate in PSI+, 53.5% of the face amount will be forgiven, 31.5% of the face amount will be exchanged with new bonds of equal face amount issued by Greece and the remaining 15% will be exchanged with short-term securities issued by the European Financial Stability Facility (EFSF),

(b) The coupon on the new Greek Government Bonds (nGGBs) will be 2% from 2012 to 2015, rising to 3% from 2015 to 2020, 3.65% for 2021 and 4.3% until 2042,

(c) Accrued interest on the exchanged bonds will be settled through the issue of short-term EFSF securities,

(d) The nGGBs will be issued in 20 separate tranches with staggered bullet maturities commencing in 2023 and ending in 2042 to replicate an amortisation of 5% per annum on the aggregate amount of the nGGBs,

(e) The nGGBs will rank pari passu with the EFSF € 30 bn loan to Greece contributing to the PSI+ exercise,

(f) nGGBs will be subject to English Law,

(g) Each new bond will be accompanied by a detachable GDP-linked security of the same notional amount as the face amount of the new bond.

The support programme aims at ensuring debt sustainability and restoring competitiveness, allowing Greece to achieve strict fiscal consolidation targets and the implementation of privatization plans and structural reforms. Furthermore, the respective contributions from the private and official sector should ensure that Greece's public debt ratio is brought on a downward path reaching 120.5% of GDP by 2020.

The invitation for tender was launched on 24 February 2012 and the bonds invited to participate in PSI+ had an aggregate outstanding face amount of approximately € 206 bn. Greek and foreign law bonds of approximately € 199 bn were eventually exchanged.

Under Law 4046/2012, the tax losses arising from the bond exchange under the PSI+ program will be tax deductible in equal instalments over the life of the new bonds received.

The exchange programme of Greek Government bonds and other eligible securities (PSI+) provides evidence of a concession granted to the borrower (the Greek State) by the lender relating to the borrower's financial difficulty that the lender would not otherwise consider. Therefore, following the Bank's participation in the programme, the Group recognised an impairment loss of € 5,779 million before tax, as of 31 December 2011, for GGBs and other securities of face value € 7,336 million exchanged in 2012 under PSI+.

Under this exchange, in March 2012, the Group received a) new Greek government bonds (nGGBs) with face value equal to 31.5% of the face amount of the old bonds, b) EFSF notes having a face amount of 15% of the face value of the old bonds and c) GDP-linked securities. All exchanged bonds were derecognised and the new GGBs, classified in the Held to Maturity portfolio, recognised at fair value with a resulting loss before tax, of € 199 million. GDP-linked securities were classified as derivatives.

Following the completion of the exchange, the nGGBs will be carried at € 764 million.

Other Greek sovereign exposure

As at 31 March 2012, the total carrying value of other Greek Sovereign Exposure amounted to € 4,224 million. This includes Treasury Bills of € 2,224 million and GGBs of € 911 million maturing in 2014 and issued for the Greek State's subscription to the Preference Shares issued under Law 3723/2008 "Greek Economy Liquidity Support Program".

7. Greek Banks' recapitalisation

Recapitalisation framework and process

Given the severity of the impact of the Greek Bond exchange programme (PSI+), on 21 February 2012 the Euro Area finance ministers allocated a total of € 50 bn of the second support programme for Greece specifically for the recapitalisation of the Greek Banking system. These funds will be directed to the Hellenic Financial Stability Fund (HFSF) whose mandate has been extended and enhanced accordingly. The first tranche of these funds was remitted to Greece in April 2012, while the rest, according to IMF "Request for extended arrangement under the extended fund facility", will be made available in June 2012.

The Bank of Greece (BoG) is currently assessing the viability of each Greek Bank and estimated its capital needs, taking into consideration both the PSI+ impact and the difficult economic environment of the next three years, for which adequate buffers must be set aside. BoG's assessment of capital needs is based in a minimum EBA Equity Tier I ratio of 9% by September 2012, and 10% by June 2013, with also a minimum 7% required under a 3 year adverse stress scenario as at December 2014.

The BoG is assessing the capital needs of each bank based on, inter alia, the impact of its participation in the PSI+ programme, the results from the BlackRock loan diagnostic exercise, the viability of its business plan, and a detailed timetable of mitigating actions to restore solvency. BoG's and the European Central Bank's initial assessment is that the € 50 bn is adequate to cover the capital needs, as above, of the viable Greek Banks and the resolution of the non viable ones. BoG is expected to communicate shortly its assessment to each bank.

In the meantime, the impact of Greek banks participation in the Greek Government Bonds exchange programme (PSI+) is such that they require a temporary financial support from the Hellenic Financial Stability Fund (HFSF-see below), subject to the requirements provided by law.

The HFSF was established in 2010, in order to maintain the stability of the Greek banking system through ensuring that adequate resources are available to support viable banks' recapitalisation needs and participating to the capital increases for any non-subscribed part.

Banks considered viable will be given the opportunity to apply for and receive EBA-Core Tier I-eligible capital from the HFSF under a certain process. Capital may take the form of ordinary shares, contingent convertible bonds or ordinary shares with restricted voting rights. Ordinary shares with restricted voting rights will only be available if private investors contribute at least 10% of the capital raising. The Law 4051/2012, which stipulates the above, underlines that among its main objectives are to incentivise the participation of private investors and to maintain the business autonomy of the banks.

The Government will ensure that Greek banks have business autonomy both de jure and de facto. The voting rights of the HFSF for the common shares it holds, subject to the 10% threshold mentioned above, will be strictly limited to specific strategic decisions on the condition that the bank adheres to its restructuring plan.

Private shareholders will be given incentives to purchase HFSF-held shares. The HFSF will decide on the disposal process of the ordinary shares and the contingent convertible bonds the latest within 5 years from its participation in the capital increase.

A Cabinet Act agreed in consultation with the Troika (European Commission, ECB and IMF) shall provide the technical details of the banks' recapitalisation framework, embodying these principles within summer.

Non viable Banks will be resolved by the HFSF, in an orderly manner and at the lowest cost to the State, in a way that ensures financial stability.

To ensure that the system remains well-capitalized, by the second quarter of 2013, the Bank of Greece will conduct a follow-up stress-test exercise, based on end of 2012 market values and using a methodology determined in consultation with the Troika (European Commission, ECB, IMF).

Eurobank EFG's capital requirements

BoG, after assessing the business plan and the capital needs of Eurobank EFG (the "Bank") has concluded that Eurobank EFG is a viable bank and has notified the Bank accordingly. The Bank, the Hellenic Financial Stability Fund ("HFSF") and the European Financial Stability Facility ("EFSF") have signed on May 28th 2012 a trilateral presubscription agreement based on which HFSF advanced to the Bank EFSF notes of face value € 3.97 bn as an advance payment of its participation in the future share capital increase of the Bank. Including the advance contribution of HFSF of € 3.97 bn the Group's regulatory capital stands at € 3.8 bn, its Capital Adequacy Ratio at 9% and EBA Core Tier I Ratio at 7.9%. Proforma with the disposal of the Turkish operations which was agreed in April 2012 and is expected to be completed in the autumn, the EBA Equity Tier I ratio would increase to 8.4%.

The regulatory impact of the 3 year adverse stress scenario is currently being estimated in cooperation with the Bank of Greece and HFSF, both on a short term and a medium term basis.

The Group continues the implementation of its medium term internal capital generating plan, which includes initiatives which generate or release EBA equity capital and/or reduce Risk Weighted Assets. In addition the Group is preparing for the capital raising that must be completed by end of September 2012.

The Directors have concluded that the Group is viable and have a reasonable expectation that the recapitalisation of the Group will be promptly and successfully completed.

8. Segment information

Management has determined the operating segments based on the internal reports reviewed by the Strategic Planning Group (SPG) that are used to allocate resources and to assess its performance in order to make strategic decisions. The SPG considers the business both from a business unit and geographic perspective. Geographically, management considers the performance of its business in Greece and other countries in Europe (International). Greece is further segregated into retail, wholesale, wealth management, and global and capital markets while International is monitored and reviewed on a country basis. The Group aggregates segments when they exhibit similar economic characteristics and profile and are expected to have similar long-term economic development.

With the exception of Greece no other individual country contributed more than 10% of consolidated income. The Group is organized in the following reportable segments:

8. Segment information (continued)

- 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.
- Wealth Management: 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.
- International - incorporating operations in Romania, Bulgaria, Serbia, Cyprus, Ukraine and Turkey.

Other operations of the Group comprise mainly of investing activities, including property management and investment and the management of unallocated capital.

The Group's management reporting is based on International Financial Reporting Standards (IFRS). The accounting policies of the Group's operating segments are the same with those described in the principal accounting policies.

Revenues from transactions between business segments are allocated on a mutually agreed basis at rates that approximate market prices.

	For the three months ended 31 March 2012							
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	International € million	Elimination center € million	Total € million
External revenue	190	109	33	90	(16)	130	-	536
Inter-segment revenue	16	5	(8)	(10)	7	(1)	(9)	-
Total revenue	206	114	25	80	(9)	129	(9)	536
Profit before tax from continuing operations excl. impairment on GGBs	(196)	66	8	63	(23)	(16)	-	(98)
Impairment on GGBs	-	-	-	(184)	(15)	-	-	(199)
Profit before tax from discontinued operations	-	-	-	-	-	7	-	7
Non controlling interest	-	-	-	-	(4)	(0)	-	(4)
Profit before tax attributable to shareholders, after impairment on GGBs	(196)	66	8	(121)	(42)	(9)	-	(294)
Profit before tax attributable to shareholders, excl. impairment on GGBs	(196)	66	8	63	(27)	(9)	-	(95)

	For the three months ended 31 March 2011							
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	International € million	Elimination center € million	Total € million
External revenue	276	133	20	30	(122)	155	-	492
Inter-segment revenue	28	(0)	(8)	(12)	4	(2)	(10)	-
Total revenue	304	133	12	18	(118)	153	(10)	492
Profit before tax from continuing operations	(57)	71	(3)	1	(142)	(2)	-	(132)
Profit before tax from discontinued operations	-	-	-	-	220	3	-	223
Non controlling interest	-	-	-	-	(4)	(0)	-	(4)
Profit before tax attributable to shareholders	(57)	71	(3)	1	74	1	-	87

9. 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 potentially dilutive ordinary shares. The Group has two categories of potentially dilutive ordinary shares: share options and convertible, subject to certain conditions, preferred securities. In order to adjust the weighted average number of shares for the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Bank's shares for the period) 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.

		Three months ended 31 March	
		2012	2011
Net profit/(loss) for the period attributable to ordinary shareholders (after deducting dividend attributable to preference shares and preferred securities holders and after including gains/(losses) on preferred securities)	*€ million*	**(54)**	52
Net profit/(loss) for the period from continuing operations (after deducting dividend attributable to preference shares and preferred securities holders and after including gains/(losses) on preferred securities)	*€ million*	**(60)**	(132)
Weighted average number of ordinary shares in issue	*Number of shares*	***552,257,757***	*537,541,050*
Weighted average number of ordinary shares for diluted earnings per share	*Number of shares*	***552,257,757***	*537,541,050*
Earnings/(losses) per share			
- Basic and diluted earnings/(losses) per share	€	**(0.10)**	0.10
Earnings/(losses) per share from continuing operations			
- Basic and diluted earnings/(losses) per share	€	**(0.11)**	(0.25)

Basic and diluted earnings per share from discontinued operations for the period ended 31 March 2012 amount to € 0.01 (31 March 2011: € 0.34).

No dividend attributable to preference shares was included in the EPS calculation for the period ended 31 March 2012, note 18 (31 March 2011: € 19 million).

Share options did not have an effect on the diluted earnings per share, as their exercise price exceeded the average market price of the Bank's shares for the period. The Series D and Series E of preferred securities (note 19), issued in July and November 2009 respectively, were not included in the calculation of diluted earnings per share, as their effect would have been anti-dilutive.

10. Income tax

On 14 February 2012, Law 4046/2012 was enacted and provided that the tax losses arising from the bond exchange under the PSI+ program (note 6) will be tax deductible in equal instalments over the life of the new bonds received.

The nominal Greek corporate tax rate is 20%. In addition, dividends distributed as of 2012 are subject to a 25% withholding tax.

11. Discontinued operations and disposal groups

Disposal of Polish operations

Based on the terms of the Investment Agreement signed with Raiffeisen Bank International AG (RBI) in February 2011, the Group recorded the disposal of its Polish operations as of 31 March 2011 for a total consideration of € 718 million.

On 30 April 2012, the Group transferred 70% of its Polish banking subsidiary (Polbank EFG) to RBI after obtaining the relevant approvals from the Polish Financial Supervision Authority (KNF). As of 30 April 2012, Polbank EFG and RBI Poland (RBI's Polish banking subsidiary) are combined.

Moreover, Eurobank EFG exercised on 30 April 2012 its put option on its 13% stake in Raiffeisen Polbank. The relevant transfer of shares is expected to be completed within the next few months.

Turkish operations classified as held for sale

In 2011 the Group publicly announced that it was reviewing strategic options involving the sale of a controlling stake in Eurobank Tekfen A.S. As of 1 January 2012, the execution of a sale transaction was considered to be highly probable and Eurobank Tekfen was classified as held for sale. Turkish operations are presented in the International segment.

Details of the sale transaction are provided in note 14.

The results of the Group's Turkish operations and Polish operations for 2011 are set out below. The income statement distinguishes discontinued operations from continuing operations. Comparative figures have been restated.

11. Discontinued operations and disposal groups (continued)

	Three months ended 31 March	
	2012 € million	2011 € million
Net interest income	**24**	52
Net banking fee and commission income	**4**	15
Other income from discontinued operations	**4**	1
Operating expenses	**(20)**	(58)
Impairment losses on loans and advances	**(5)**	(17)
Profit/(loss) before tax from discontinued operations	**7**	(7)
Income tax	**(1)**	1
Profit/(loss) before gain on disposal	**6**	(6)
Gain on disposal before tax	**-**	230
Tax on gain on disposal	**-**	(40)
Net profit/(loss) from discontinued operations	**6**	184
Net profit from discontinued operations attributable to non controlling interest	**0**	0
Profit/(loss) for the period from discontinued operations attributable to shareholders	**6**	184

The major classes of assets and liabilities classified as held for sale, are as follows:

	31 March 2012 € million
Cash and balances with central banks	152
Loans and advances to banks	84
Trading and investment securities	286
Loans and advances to customers	1,444
Other assets	56
Total assets of disposal group classified as held for sale	**2,022**
Due to banks	223
Due to customers	1,086
Other liabilities	54
Total liabilities of disposal group classified as held for sale	**1,363**
Net Group funding associated with assets held for sale	383
Net assets of disposal group classified as held for sale	**276**

Cumulative losses related to held for sale operations recognised in other comprehensive income as at 31 March 2012 amounted to € 33 million (31 March 2011: € 89 million).

12. Provision for impairment losses on loans and advances to customers

The movement of the provision for impairment losses on loans and advances is as follows:

	€ million
Balance at 1 January 2012	**3,397**
Impairment losses on loans and advances charged in the period	360
Amounts recovered during the period	6
Loans written off during the period as uncollectible	(12)
Foreign exchange differences and other movements	(61)
Accumulated impairment losses related to held for sale operations	(36)
Balance at 31 March 2012	**3,654**

13. Investment securities

	31 March 2012 € million	31 December 2011 € million
Available-for-sale investment securities	**3,255**	3,185
Debt securities lending portfolio	**4,530**	5,992
Held-to-maturity investment securities	**2,369**	2,206
	10,154	11,383

In 2008 and 2010, in accordance with the amendments to IAS 39, the Group reclassified eligible debt securities from the “Available-for-sale” portfolio to “Debt securities lending” portfolio carried at amortised cost. Interest on the reclassified securities continued to be recognised in interest income using the effective interest rate method. As at 31 March 2012, the carrying amount of the reclassified securities was € 1,870 million. If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 31 March 2012 would have resulted in € 601 million losses net of tax, which would have been recognised in the available-for-sale revaluation reserve.

Reclassified Greek Government bonds of € 1.4 bn as at 31 December 2011, exchanged with new bonds under the PSI plan in 2012, were derecognised (note 6).

14. Shares in subsidiary undertakings

The following is a listing of the Bank's subsidiaries as at 31 March 2012:

Name	Note	Percentage Holding	Country of incorporation	Line of business
Be-Business Exchanges S.A.		98.01	Greece	Business-to-business e-commerce
Best Direct S.A. [(1)]		100.00	Greece	Sundry services
EFG Eurobank Ergasias Leasing S.A.		100.00	Greece	Leasing
EFG Eurolife General Insurance S.A.		100.00	Greece	Insurance services
EFG Eurolife Life Insurance S.A.		100.00	Greece	Insurance services
EFG Insurance Services S.A.		100.00	Greece	Insurance brokerage
Eurobank EFG Asset Management Mutual Fund Mngt Company S.A.		100.00	Greece	Mutual fund and asset management
Eurobank EFG Business Services S.A.		100.00	Greece	Payroll and advisory services
Eurobank EFG Cards S.A.		100.00	Greece	Credit card management
Eurobank EFG Equities S.A.		100.00	Greece	Capital markets and advisory services
Eurobank EFG Factors S.A.		100.00	Greece	Factoring
Eurobank EFG Financial Planning Services S.A.		100.00	Greece	Management of receivables
Eurobank EFG Property Services S.A.		100.00	Greece	Real estate services
Eurobank Properties R.E.I.C.		55.94	Greece	Real estate
Global Fund Management S.A. [(1)]		99.50	Greece	Investment advisors
OPEN 24 S.A.		100.00	Greece	Sundry services
Eurobank EFG Bulgaria A.D.		99.99	Bulgaria	Banking
Bulgarian Retail Services A.D.		100.00	Bulgaria	Credit card management
EFG Auto Leasing E.O.O.D.		100.00	Bulgaria	Vehicle leasing and rental
EFG Leasing E.A.D.		100.00	Bulgaria	Leasing
EFG Property Services Sofia A.D.		80.00	Bulgaria	Real estate services
IMO 03 E.A.D.		100.00	Bulgaria	Real estate services
IMO Central Office E.A.D.		100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.		100.00	Bulgaria	Real estate services
IMO Rila E.A.D.		100.00	Bulgaria	Real estate services
EFG Hellas (Cayman Islands) Ltd		100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd		100.00	Channel Islands	Holding company
EFG Hellas Funding Ltd		100.00	Channel Islands	Special purpose financing vehicle
Eurobank EFG Cyprus Ltd		100.00	Cyprus	Banking
CEH Balkan Holdings Ltd		100.00	Cyprus	Holding company
Chamia Enterprises Company Ltd		100.00	Cyprus	Special purpose investment vehicle
EFG New Europe Funding III Ltd		100.00	Cyprus	Finance company
NEU Property Holdings Ltd		100.00	Cyprus	Holding company
NEU II Property Holdings Ltd		100.00	Cyprus	Holding company
NEU III Property Holdings Ltd		100.00	Cyprus	Holding company
Eurobank EFG Private Bank Luxembourg S.A.		100.00	Luxembourg	Banking
Eurobank EFG Fund Management Company (Luxembourg) S.A.		100.00	Luxembourg	Fund management
Eurobank EFG Holding (Luxembourg) S.A.		100.00	Luxembourg	Holding company
EFG New Europe Funding B.V.		100.00	Netherlands	Finance company
EFG New Europe Funding II B.V.		100.00	Netherlands	Finance company
EFG New Europe Holding B.V.		100.00	Netherlands	Holding company
Bancpost S.A.		99.11	Romania	Banking
EFG Eurobank Finance S.A.		100.00	Romania	Investment banking
EFG Eurobank Securities S.A.		100.00	Romania	Capital markets services
EFG Leasing IFN S.A.		100.00	Romania	Leasing
EFG Eurobank Property Services S.A.		80.00	Romania	Real estate services
EFG IT Shared Services S.A.		100.00	Romania	Informatics data processing
EFG Retail Services IFN S.A.		100.00	Romania	Credit card management
Eliade Tower S.A.		55.94	Romania	Real estate
IMO Property Investments Bucuresti S.A.		100.00	Romania	Real estate services
IMO-II Property Investments S.A.		100.00	Romania	Real estate services
Retail Development S.A.		55.94	Romania	Real estate
S.C. EFG Eurolife Asigurari de Viata S.A.		100.00	Romania	Insurance services
S.C. EFG Eurolife Asigurari Generale S.A.		100.00	Romania	Insurance services
Seferco Development S.A.		55.94	Romania	Real estate
Eurobank EFG A.D. Beograd		99.98	Serbia	Banking
EFG Asset Fin d.o.o. Beograd		100.00	Serbia	Asset management
EFG Business Services d.o.o. Beograd		100.00	Serbia	Payroll and advisory services
EFG Leasing A.D. Beograd		99.99	Serbia	Leasing
EFG Property Services d.o.o. Beograd		80.00	Serbia	Real estate services
IMO Property Investments A.D. Beograd		100.00	Serbia	Real estate services
Reco Real Property A.D.		55.94	Serbia	Real estate
Eurobank Tekfen A.S.	a	99.26	Turkey	Banking
EFG Finansal Kiralama A.S.	a	99.26	Turkey	Leasing
EFG Istanbul Holding A.S.		100.00	Turkey	Holding company
EFG Istanbul Equities Menkul Degerler A.S.	a	99.26	Turkey	Capital market services
EFG Istanbul Portfoy Yonetimi A.S.	a	99.26	Turkey	Mutual fund management
Public J.S.C. Universal Bank		99.96	Ukraine	Banking
EFG Property Services Ukraine LLC		100.00	Ukraine	Real estate services
Eurobank EFG Ukraine Distribution LLC		100.00	Ukraine	Sundry services

14. Shares in subsidiary undertakings (continued)

Name	Note	Percentage Holding	Country of incorporation	Line of business
Anaptyxi 2006-1 Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi APC Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi II Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi II Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi Options Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME I Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME I Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME II 2009-1 Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME II APC Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME II Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Andromeda Leasing I Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Andromeda Leasing I Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion 2007-1 Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion APC Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
EFG Hellas Plc		100.00	United Kingdom	Special purpose financing vehicle
Karta 2005-1 Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta APC Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta II Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta II Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta LNI 1 Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta Options Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion II Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion III Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion III Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion IV Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion IV Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)

(1) *dormant/under liquidation entities not consolidated as of 31 December 2011 due to immateriality*
(2) *not consolidated due to immateriality*

(a) Eurobank Tekfen A.S., Turkey

On 9 April 2012, the Group entered into a sale agreement for the disposal of Eurobank Tekfen A.S. and its subsidiaries to Burgan Bank of Kuwait. The completion of the sale is expected in the autumn of 2012, subject to regulatory approvals by the competent authorities. Under the terms of the transaction, Burgan will acquire 99.3% of Eurobank Tekfen, from Eurobank EFG and the Tekfen Group, for an upfront cash consideration of TRY 641 million (1x Book Value). The consideration may be adjusted, depending on the Net Asset Value of Eurobank Tekfen as at the closing date. The transaction will increase Eurobank EFG's Core Tier I capital ratio by approximately 60 bps (or capital equivalent of almost € 300 million) and will improve its liquidity position by € 800 million.

(b) EFG Hellas II (Cayman Islands) Ltd, Cayman Islands

In March 2012, the company was liquidated.

15. Other assets

As at 31 March 2012, investments in associates and joint ventures amounted to € 7 million (31 December 2011: € 8 million, 31 March 2011: € 14 million) and are presented within "Other Assets".

The following is a listing of the Group's joint ventures as at 31 March 2012:

Name	Percentage Holding	Country of incorporation	Line of business
Femion Ltd	66.67	Cyprus	Special purpose investment vehicle
Cardlink S.A.	50.00	Greece	POS administration
Tefin S.A.	50.00	Greece	Motor vehicle sales financing
Sinda Enterprises Company Ltd	48.00	Cyprus	Special purpose investment vehicle
Unitfinance S.A.	40.00	Greece	Financing company

16. Debt issued and other borrowed funds

	31 March 2012 € million	31 December 2011 € million
Medium-term notes (EMTN)	**1,034**	1,606
Subordinated	**243**	300
Securitised	**661**	765
	1,938	2,671

During the period, notes amounting to € 480 million, issued under the EMTN Program through the Group's special purpose entities, matured.

In February 2012, the Group invited the holders of Lower Tier II unsecured subordinated notes to tender existing bonds. The Group has repurchased notes amounting to € 106 million (principal amount), generating a gain for the Group and increasing Core Tier I capital by € 53 million.

During the period, the Group proceeded with the repurchase of residential mortgage backed securities Class A amounting to € 57 million, issued by its special purpose entity Themeleion IV Mortgage Finance PLC in June 2007.

As at 31 March 2012, the covered bonds and government guaranteed bonds under the second stream of the Greek Economy Liquidity Support Program (note 5), totalling € 4,450 million and € 17,776 million respectively, were fully retained by the Bank and its subsidiaries.

16. Debt issued and other borrowed funds (continued)

Post Balance sheet event

In May 2012, covered bonds amounting to € 650 million matured.

Financial disclosures required by the Act 2620/28.08.2009 of the Bank of Greece in relation to the covered bonds issued, are available at the Bank's website.

17. Ordinary share capital, share premium and treasury shares

The par value of the Bank's shares is € 2.22 per share (31 December 2011: € 2.22). All shares are fully paid. The movement of ordinary 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
Balance at 1 January 2012	**1,228**	**(2)**	**1,226**	**1,448**	**(9)**	**1,439**
Purchase of treasury shares	-	(0)	**(0)**	-	(0)	**(0)**
Sale of treasury shares	-	0	**0**	-	(1)	**(1)**
Balance at 31 March 2012	**1,228**	**(2)**	**1,226**	**1,448**	**(10)**	**1,438**

	Number of shares		
	Issued ordinary shares	Treasury shares	Net
Balance at 1 January 2012	**552,948,427**	**(809,010)**	**552,139,417**
Purchase of treasury shares	-	(3,519)	**(3,519)**
Sale of treasury shares	-	212,850	**212,850**
Balance at 31 March 2012	**552,948,427**	**(599,679)**	**552,348,748**

In June 2009, the Annual General Meeting approved the issue, within certain parameters, the terms and timing of which are at the Board of Directors discretion, either in total or gradually in tranches, of a callable bond of up to € 500 million, convertible to ordinary shares of the Bank (note 19, Series D and E). In July 2011, the repeat Annual General Meeting decided the amendment of the terms of the callable bonds approved by the Annual General Meeting in June 2009 for the amount of € 150 million not yet issued/allotted and the increase of the bonds total amount by up to € 100 million under certain conditions.

Treasury shares

Under Law 3756/2009, banks participating in the Government's Greek Economy Liquidity Support Program are not allowed to acquire treasury shares under article 16 of the Company Law.

In the ordinary course of business, subsidiaries of the Group may acquire and dispose of treasury shares; the majority of which relates to life insurance activity.

18. Preference shares

Preference Shares		
Number of shares	31 March 2012 € million	31 December 2011 € million
345,500,000	**950**	950
345,500,000	**950**	950

On 12 January 2009 the Extraordinary General Meeting of the Bank approved the issue of 345,500,000 non-voting, non-listed, non-transferable, tax deductible, non-cumulative 10% preference shares, with nominal value € 2.75 each, under Law 3723/2008 "Greek Economy Liquidity Support Program", to be fully subscribed to and paid by the Greek State with bonds of equivalent value. The proceeds of the issue total € 940 million, net of expenses, and the transaction was completed on 21 May 2009. In accordance with the current legal and regulatory framework, the issued shares have been classified as Tier I capital.

The preference shares pay a non-cumulative coupon of 10%, subject to meeting minimum capital adequacy requirements, set by Bank of Greece, availability of distributable reserves in accordance with article 44a of Company Law 2190/1920 and the approval of the Annual General Meeting. According to article 39 of Law 3844/2010, five years after the issue of the preference shares or earlier subject to the approval of the Bank of Greece, the Bank may redeem the preference shares at their nominal value. In case of non redemption at the expiration of the five year period, the coupon is increased by 2% each year.

Based on the 2011 results, the Directors will not recommend to the Shareholders' Annual General Meeting the distribution of a dividend to either ordinary or preference shareholders.

19. 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	Series D € million	Series E € million	Total € million
Balance at 1 January 2012	**90**	**155**	**166**	**275**	**59**	**745**
Purchase of preferred securities	(71)	(148)	(106)	(0)	-	**(325)**
Sale of preferred securities	-	-	0	-	-	**0**
Balance at 31 March 2012	**19**	**7**	**60**	**275**	**59**	**420**

In February 2012, the Group invited the holders of preferred securities, series A, B and C to tender existing securities. The Group has repurchased an aggregate principal amount of € 325 million (Series A: € 71 million, Series B: € 147 million, Series C: € 107 million). The repurchase of preferred securities has generated a gain for the Group, net of related expenses, increasing its Core Tier I capital by € 188 million.

The rate of preferred dividends for the Tier I Issue series A has been determined at 2.50% for the period March 18, 2012 to March 17, 2013.

As at 31 March 2012, the dividend attributable to preferred securities' holders amounted to € 11 million (31 March 2011: € 13 million).

As at 31 March 2012, total gain from the redemption of preferred securities amounted to € 191 million (31 March 2011: € 8 million).

20. Contingent liabilities and other commitments

As at 31 March 2012, the Group's contingent liabilities in terms of guarantees, standby letters of credit and commitments to extend credit amounted to € 1,851 million (31 December 2011: € 2,239 million) and the Group's documentary credits amounted to € 137 million (31 December 2011: € 161 million).

Included above are contingent liabilities related to held for sale operations amounted to € 362 million as at 31 March 2012.

The Group's capital commitments in terms of property, plant and equipment amounted to € 7 million (31 December 2011: € 7 million).

In February 2012, the guarantee issued by the Bank in favour of EFG Ora Funding Limited III, as well as the guarantee received by the ultimate parent company of the Group, were reduced to € 67 million.

21. Post balance sheet events

On 22 May 2012, the Second Repeat Extraordinary Shareholders' Meeting of Alpha Bank approved the abortion of the merger procedure with Eurobank EFG and the recall of Alpha Bank's General Meeting decisions on 15 November 2011.

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

Note 7-Greek Banks' recapitalisation
Note 11-Discontinued operations and disposal groups
Note 14-Shares in subsidiary undertakings
Note 16-Debt issued and other borrowed funds

22. Related party transactions

The Bank is a member of the worldwide EFG Group, which consists of credit institutions, financial services and financial holding companies. The operating parent company of the EFG Group is European Financial Group EFG (Luxembourg) S.A., whilst its ultimate parent company is Private Financial Holdings Limited (PFH), which is owned and controlled indirectly by members of the Latsis family. As at 31 March 2012, the EFG Group held 44.7% of the ordinary shares and voting rights of the Bank through wholly owned subsidiaries of the ultimate parent company, the remaining ordinary shares and voting rights being held by institutional and retail investors, none of which, to the knowledge of the Bank, holds 5% or more.

The Bank's annual consolidated financial statements are fully consolidated in the annual consolidated financial statements of European Financial Group EFG (Luxembourg) S.A., which does not prepare interim financial statements.

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. 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 volume of related party transactions and outstanding balances at the period/year-end are as follows:

	31 March 2012			31 December 2011		
	EFG Group € million	**Key management personnel € million**	**Other € million**	EFG Group € million	Key management personnel € million	Other € million
Derivative financial instruments assets	**-**	**-**	**1**	-	-	1
Investment securities	**83**	**-**	**7**	82	-	7
Loans and advances to customers (see below)	**1**	**16**	**358**	1	15	335
Due to banks	**54**	**-**	**-**	54	-	-
Due to customers (see below)	**0**	**47**	**321**	4	42	345
Other liabilities	**-**	**1**	**0**	0	1	0
Guarantees issued (note 20)	**67**	**-**	**2**	272	-	2
Guarantees received (note 20)	**67**	**0**	**44**	271	0	50
	three months ended 31 March 2012			three months ended 31 March 2011		
Net interest income	**1**	**(0)**	**(3)**	1	(0)	(1)
Net banking fee and commission income	**(0)**	**0**	**0**	0	0	0
Other operating income/(expense)	**(0)**	**(1)**	**(0)**	1	(0)	(0)

Note: As at 31 March 2012, loans and advances to customers are covered by cash collateral amounting to € 212 million (31 December 2011: € 211 million).

22. Related party transactions (continued)

Key management compensation (including directors)

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.

Key management personnel are entitled to compensation in the form of short-term employee benefits of € 1.8 million (31 March 2011: € 1.8 million), and long-term employee benefits of € 0.3 million out of which € 0.2 million are share-based payments (31 March 2011: € 0.4 million and € 0.3 million respectively).

23. Dividends

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

Under Law 3756/2009, as amended by Law 3844/2010 and supplemented by Laws 3965/2011 and 4063/2012, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 to date. Based on the 2011 results, the Directors will not recommend to the Shareholders Annual General Meeting the distribution of a dividend to either ordinary or preference shareholders.

Athens, 31 May 2012

Efthymios N. Christodoulou	**Nicholas C. Nanopoulos**	**Paula N. Hadjisotiriou**	**Harris V. Kokologiannis**
I.D. No AB - 049358	I.D. No AE - 586794	I.D. No AK - 221300	I.D. No AK - 021124
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	HEAD OF GROUP FINANCE & CONTROL