



**EFG EUROBANK ERGASIAS S.A.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED**

**31 MARCH 2006**

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## Index to the Condensed Consolidated Interim Financial Statements

|   | <b>Page</b> |
|---|-------------|
| Consolidated Interim Income Statement   | 3           |
| Consolidated Interim Balance Sheet  | 4           |
| Consolidated Interim Statement of Changes in Equity                                   | 5           |
| Consolidated Interim Cash Flow Statement  | 6           |
| Selected Explanatory Notes to the Condensed Consolidated Interim Financial Statements |             |
| 1 General information   | 7           |
| 2 Basis of preparation of condensed consolidated interim financial statements         | 7           |
| 3 Principal accounting policies   | 7           |
| 4 Critical accounting estimates and judgements in applying accounting policies        | 7           |
| 5 Business segments   | 7           |
| 6 Earnings per share  | 8           |
| 7 Shares in subsidiary undertakings   | 8           |
| 8 Investments in associated undertakings  | 9           |
| 9 Income tax expense  | 9           |
| 10 Liabilities evidenced by paper   | 9           |
| 11 Ordinary share capital, share premium and treasury shares                          | 9           |
| 12 Share options  | 10          |
| 13 Preferred securities   | 10          |
| 14 Contingent liabilities and capital expenditure commitments                         | 10          |
| 15 Post balance sheet events  | 10          |
| 16 Acquisition of subsidiaries  | 10          |
| 17 Related party transactions   | 11          |
| 18 Dividends  | 11          |

|   | Note | Three months ended<br>31 March |                  |
|---|------|--------------------------------|------------------|
|   |      | 2006<br>€million               | 2005<br>€million |
| Net interest income   |      | 371                            | 308              |
| Net banking fee and commission income                         |      | 105                            | 89               |
| Net insurance income  |      | 11                             | 4                |
| Non banking services  |      | 5                              | 7                |
| <b>Core income</b>  |      | <b>492</b>                     | <b>408</b>       |
| Dividend income   |      | 0                              | -                |
| Net trading income/(loss)                                     |      | 11                             | 7                |
| Gains less losses from investment securities                  |      | 14                             | 12               |
| Other operating income  | 7, 8 | 20                             | 1                |
|   |      | <b>45</b>                      | <b>20</b>        |
| <b>Operating income</b>                                       |      | <b>537</b>                     | <b>428</b>       |
| Operating expenses  |      | (243)                          | (203)            |
| Impairment losses on loans and advances                       |      | (87)                           | (71)             |
| <b>Profit from operations</b>                                 |      | <b>207</b>                     | <b>154</b>       |
| Share of results of associates                                |      | 3                              | 2                |
| <b>Profit before tax</b>                                      |      | <b>210</b>                     | <b>156</b>       |
| Income tax expense  | 9    | (52)                           | (45)             |
| <b>Profit after tax</b>                                       |      | <b>158</b>                     | <b>111</b>       |
| Minority interest   |      | (1)                            | (2)              |
| <b>Net profit for the period attributable to shareholders</b> |      | <b>157</b>                     | <b>109</b>       |
|   |      |                                |                  |
|   | Note | €                              | €                |
| <b>Earnings per share</b>                                     |      |                                |                  |
| - basic   | 6    | 0.46                           | 0.35             |
| - diluted   | 6    | 0.46                           | 0.35             |

Notes on pages 7 to 11 form an integral part of these condensed consolidated interim financial statements.

|  | Note | 31 March<br>2006<br>€million | 31 December<br>2005<br>€million |
|--|------|------------------------------|---------------------------------|
| <b>ASSETS</b>  |      |                              |                                 |
| Cash and balances with central banks                       |      | 1,695                        | 1,755                           |
| Loans and advances to banks                                |      | 3,225                        | 2,993                           |
| Financial instruments at fair-value-through-profit-or-loss |      | 1,609                        | 1,209                           |
| Derivative financial instruments                           |      | 389                          | 311                             |
| Loans and advances to customers                            |      | 27,900                       | 26,624                          |
| Available-for-sale investment securities                   |      | 9,943                        | 10,024                          |
| Investments in associated undertakings                     | 8    | 36                           | 35                              |
| Intangible assets  |      | 161                          | 154                             |
| Property, plant and equipment                              |      | 835                          | 827                             |
| Other assets   |      | 639                          | 532                             |
| <b>Total assets</b>  |      | <b>46,432</b>                | <b>44,464</b>                   |
| <b>LIABILITIES</b>   |      |                              |                                 |
| Due to other banks   |      | 11,529                       | 10,781                          |
| Derivative financial instruments                           |      | 690                          | 736                             |
| Due to customers   |      | 20,739                       | 19,255                          |
| Liabilities evidenced by paper                             | 10   | 8,722                        | 9,153                           |
| Other liabilities  |      | 1,225                        | 1,140                           |
| <b>Total liabilities</b>                                   |      | <b>42,905</b>                | <b>41,065</b>                   |
| <b>EQUITY</b>  |      |                              |                                 |
| Share capital  | 11   | 1,047                        | 1,047                           |
| Share premium  | 11   | 480                          | 482                             |
| Other reserves   |      | 1,106                        | 994                             |
| <b>Ordinary shareholders' equity</b>                       |      | <b>2,633</b>                 | <b>2,523</b>                    |
| <b>Preferred securities</b>                                | 13   | <b>784</b>                   | <b>762</b>                      |
| <b>Minority interest</b>                                   |      | <b>110</b>                   | <b>114</b>                      |
| <b>Total</b>   |      | <b>3,527</b>                 | <b>3,399</b>                    |
| <b>Total equity and liabilities</b>                        |      | <b>46,432</b>                | <b>44,464</b>                   |

Notes on pages 7 to 11 form an integral part of these condensed consolidated interim financial statements.

| Note  | Attributable to ordinary shareholders of the Bank |                           |                              |                               |                   | Preferred securities<br>€million | Minority interest<br>€million | Total<br>€million |
|---|---|---------------------------|------------------------------|-------------------------------|-------------------|----------------------------------|-------------------------------|-------------------|
|   | Share capital<br>€million                         | Share premium<br>€million | Special reserves<br>€million | Retained earnings<br>€million | Total<br>€million |                                  |                               |                   |
| <b>Balance at 1 January 2005</b>                                  | 926   | 501                       | 599                          | 76                            | 2,102             | -                                | 78                            | 2,180             |
| Cash flow hedges  |   |                           |                              |                               |                   |                                  |                               |                   |
| - net changes in fair value, net of tax                           | -   | -                         | (5)                          | -                             | (5)               | -                                | -                             | (5)               |
| - transfer to net profit, net of tax                              | -   | -                         | 7                            | -                             | 7                 | -                                | -                             | 7                 |
| Available-for-sale securities                                     |   |                           |                              |                               |                   |                                  |                               |                   |
| - net changes in fair value, net of tax                           | -   | -                         | 5                            | -                             | 5                 | -                                | -                             | 5                 |
| - transfer to net profit, net of tax                              | -   | -                         | (6)                          | -                             | (6)               | -                                | -                             | (6)               |
| - net changes in fair value, net of tax - associated undertakings | -   | -                         | 1                            | -                             | 1                 | -                                | -                             | 1                 |
| Currency translation differences                                  | -   | -                         | (1)                          | -                             | (1)               | -                                | -                             | (1)               |
| Net income/(expense) recognised directly in equity                | -   | -                         | 1                            | -                             | 1                 | -                                | -                             | 1                 |
| Profit for the period   | -   | -                         | -                            | 109                           | 109               | -                                | 2                             | 111               |
| Total recognised income for the three months ended 31 March 2005  | -   | -                         | 1                            | 109                           | 110               | -                                | 2                             | 112               |
| Issue of preferred securities                                     | -   | -                         | -                            | -                             | -                 | 197                              | -                             | 197               |
| Purchase of preferred securities                                  | -   | -                         | -                            | -                             | -                 | (11)                             | -                             | (11)              |
| Dividend paid by subsidiaries attributable to minority interest   | -   | -                         | -                            | -                             | -                 | -                                | (1)                           | (1)               |
| Purchase of treasury shares                                       | (1)   | (5)                       | -                            | -                             | (6)               | -                                | -                             | (6)               |
|   | (1)   | (5)                       | -                            | -                             | (6)               | 186                              | (1)                           | 179               |
| <b>Balance at 31 March 2005</b>                                   | <b>925</b>  | <b>496</b>                | <b>600</b>                   | <b>185</b>                    | <b>2,206</b>      | <b>186</b>                       | <b>79</b>                     | <b>2,471</b>      |
| <b>Balance at 1 January 2006</b>                                  | <b>1,047</b>                                      | <b>482</b>                | <b>913</b>                   | <b>81</b>                     | <b>2,523</b>      | <b>762</b>                       | <b>114</b>                    | <b>3,399</b>      |
| Cash flow hedges  |   |                           |                              |                               |                   |                                  |                               |                   |
| - net changes in fair value, net of tax                           | -   | -                         | 3                            | -                             | 3                 | -                                | -                             | 3                 |
| - transfer to net profit, net of tax                              | -   | -                         | 2                            | -                             | 2                 | -                                | -                             | 2                 |
| Available-for-sale securities                                     |   |                           |                              |                               |                   |                                  |                               |                   |
| - net changes in fair value, net of tax                           | -   | -                         | (122)                        | -                             | (122)             | -                                | 0                             | (122)             |
| - transfer to net profit, net of tax                              | -   | -                         | 102                          | -                             | 102               | -                                | -                             | 102               |
| Currency translation differences                                  | -   | -                         | 7                            | -                             | 7                 | -                                | 2                             | 9                 |
| Net income/(expense) recognised directly in equity                | -   | -                         | (8)                          | -                             | (8)               | -                                | 2                             | (6)               |
| Profit for the period   | -   | -                         | -                            | 157                           | 157               | -                                | 1                             | 158               |
| Total recognised income for the three months ended 31 March 2006  | -   | -                         | (8)                          | 157                           | 149               | -                                | 3                             | 152               |
| Minority's share in subsidiaries' capital increase                | -   | -                         | -                            | -                             | -                 | -                                | 0                             | 0                 |
| Acquisitions  | 16  | -                         | -                            | (24)                          | (24)              | -                                | (6)                           | (30)              |
| Sale of preferred securities                                      | 13  | -                         | -                            | (2)                           | (2)               | 22                               | -                             | 20                |
| Preferred securities' dividends paid                              | -   | -                         | -                            | (12)                          | (12)              | -                                | -                             | (12)              |
| Dividend paid by subsidiaries attributable to minority interest   | -   | -                         | -                            | -                             | -                 | -                                | (1)                           | (1)               |
| Employee share option scheme:                                     |   |                           |                              |                               |                   |                                  |                               |                   |
| - Value of employee services                                      | -   | -                         | 1                            | -                             | 1                 | -                                | -                             | 1                 |
| Purchase of treasury shares                                       | (0)   | (2)                       | -                            | -                             | (2)               | -                                | -                             | (2)               |
|   | (0)   | (2)                       | 1                            | (38)                          | (39)              | 22                               | (7)                           | (24)              |
| <b>Balance at 31 March 2006</b>                                   | <b>1,047</b>                                      | <b>480</b>                | <b>906</b>                   | <b>200</b>                    | <b>2,633</b>      | <b>784</b>                       | <b>110</b>                    | <b>3,527</b>      |
|   | Note 11   | Note 11                   |                              |                               |                   | Note 13                          |                               |                   |

Notes on pages 7 to 11 form an integral part of these condensed consolidated interim financial statements.

| Note  | Three months ended |              |
|---|--------------------|--------------|
|   | 31 March           |              |
|   | 2006               | 2005         |
|   | €million           | €million     |
| <b>Cash flows from operating activities</b>   |                    |              |
| Interest received and net trading receipts  | 445                | 430          |
| Interest paid   | (204)              | (270)        |
| Fees and commissions received   | 139                | 129          |
| Fees and commissions paid   | (12)               | (31)         |
| Dividends received  | 0                  | -            |
| Other income received   | 9                  | 2            |
| Cash payments to employees and suppliers  | (166)              | (159)        |
| Cash flows from operating profits before changes in operating assets and liabilities  | 211                | 101          |
| <b>Changes in operating assets and liabilities</b>                                    |                    |              |
| Net (increase)/decrease in cash and balances with central banks                       | (152)              | 29           |
| Net (increase)/decrease in financial instruments at fair-value-through-profit-or-loss | (149)              | 1,367        |
| Net (increase)/decrease in loans and advances to banks                                | 7                  | (58)         |
| Net (increase)/decrease in loans and advances to customers                            | (1,165)            | (1,381)      |
| Net (increase)/decrease in other assets   | 262                | (50)         |
| Net increase/(decrease) in due to other banks   | 746                | 484          |
| Net increase/(decrease) in due to customers   | 1,369              | 24           |
| Net increase/(decrease) in other liabilities  | (311)              | (23)         |
| <b>Net cash from operating activities</b>   | <b>818</b>         | <b>493</b>   |
| <b>Cash flows from investing activities</b>   |                    |              |
| Purchases of property, plant and equipment  | (20)               | (16)         |
| Proceeds from sale of property, plant and equipment                                   | 4                  | 4            |
| Purchases of available-for-sale investment securities                                 | (1,901)            | (1,258)      |
| Proceeds from sale of available-for-sale investment securities                        | 1,780              | 506          |
| Acquisition of subsidiary undertakings net of cash acquired                           | (47)               | -            |
| Acquisition of associated undertakings  | -                  | (33)         |
| Dividends from associated undertakings  | 1                  | -            |
| Proceeds from sale of subsidiary undertakings net of cash disposed                    | 8                  | -            |
| Net contributions by minority interest  | (1)                | -            |
| <b>Net cash from investing activities</b>   | <b>(176)</b>       | <b>(797)</b> |
| <b>Cash flows from financing activities</b>   |                    |              |
| Proceeds from liabilities evidenced by paper  | 10                 | 1,572        |
| Repayments of liabilities evidenced by paper  | 10                 | (1,953)      |
| Proceeds from the issue of preferred securities                                       | -                  | 197          |
| Purchases of preferred securities   | -                  | (11)         |
| Proceeds from sale of preferred securities  | 13                 | 22           |
| Preferred securities' dividends paid  | -                  | (12)         |
| Purchases of treasury shares  | -                  | (2)          |
| <b>Net cash from financing activities</b>   | <b>(373)</b>       | <b>1,379</b> |
| Effect of exchange rate changes on cash and cash equivalents                          | 10                 | 25           |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                           | <b>279</b>         | <b>1,100</b> |
| Cash and cash equivalents at beginning of period                                      | 3,568              | 2,247        |
| <b>Cash and cash equivalents at end of period</b>                                     | <b>3,847</b>       | <b>3,347</b> |

Notes on pages 7 to 11 form an integral part of these condensed consolidated interim financial statements.

**1. General information**

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

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

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

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and they should be read in conjunction with the Group's published consolidated annual financial statements for the year ended 31 December 2005.

**3. Principal accounting policies**

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

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

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

**5. Business segments**

The Group is organised into five main business segments:

- Retail - incorporating customer current accounts, savings, deposits and investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate - incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities.
- Asset Management, Private Banking and Insurance (AM, PB & INS) - incorporating private banking services, including total wealth management, to medium and high net worth individuals, insurance, mutual fund and investment savings products, and institutional asset management.
- Global and Capital Markets - incorporating investment banking services including corporate finance, merger and acquisitions advice, custody, equity brokerage, financial instruments trading and institutional finance to corporate and institutional entities, as well as, specialised financial advice and intermediation to private and large retail individuals as well as small and large corporate entities.
- New Europe - incorporating operations in Romania, Bulgaria, Serbia, Cyprus, Poland and Turkey.

Other operations of the Group comprise mainly of investing activities, including property management and investment, electronic commerce, the management of unallocated capital and the closed-end funds which have been absorbed by the Bank. Transactions between the business segments are on normal commercial terms and conditions. With the exception of Greece no other individual country contributed more than 10% of consolidated income.

|  | For the three months ended 31 March 2006 |           |                 |                                |          |            |                       | Total<br>€million |
|--|--|-----------|-----------------|--------------------------------|----------|------------|-----------------------|-------------------|
|  | Retail                                   | Corporate | AM, PB<br>& INS | Global &<br>Capital<br>Markets | Other    | New Europe | Elimination<br>center |                   |
|  | €million                                 | €million  | €million        | €million                       | €million | €million   | €million              |                   |
| External revenue                               | 271                                      | 66        | 57              | 66                             | 8        | 69         | -                     | 537               |
| Inter-segment revenue                          | 16                                       | 9         | (12)            | (11)                           | 1        | (0)        | (3)                   | -                 |
| <b>Total revenue</b>                           | <b>287</b>                               | <b>75</b> | <b>45</b>       | <b>55</b>                      | <b>9</b> | <b>69</b>  | <b>(3)</b>            | <b>537</b>        |
| Profit from operations                         | 89                                       | 43        | 30              | 41                             | 2        | 2          | -                     | 207               |
| Profit before tax                              | 90                                       | 43        | 30              | 41                             | 4        | 2          | -                     | 210               |
| Income tax expense                             |  |           |                 |                                |          |            |                       | (52)              |
| <b>Group Profit after tax</b>                  |  |           |                 |                                |          |            |                       | <b>158</b>        |
| Minority interest                              |  |           |                 |                                |          |            |                       | (1)               |
| <b>Net profit attributable to shareholders</b> |  |           |                 |                                |          |            |                       | <b>157</b>        |

|  | For the three months ended 31 March 2005 |           |                 |                                |          |            |                       | Total<br>€million |
|--|--|-----------|-----------------|--------------------------------|----------|------------|-----------------------|-------------------|
|  | Retail                                   | Corporate | AM, PB<br>& INS | Global &<br>Capital<br>Markets | Other    | New Europe | Elimination<br>center |                   |
|  | €million                                 | €million  | €million        | €million                       | €million | €million   | €million              |                   |
| External revenue                               | 224                                      | 55        | 33              | 63                             | 8        | 45         | -                     | 428               |
| Inter-segment revenue                          | 11                                       | 7         | (7)             | (10)                           | 1        | -          | (2)                   | -                 |
| <b>Total revenue</b>                           | <b>235</b>                               | <b>62</b> | <b>26</b>       | <b>53</b>                      | <b>9</b> | <b>45</b>  | <b>(2)</b>            | <b>428</b>        |
| Profit from operations                         | 68                                       | 26        | 14              | 41                             | (2)      | 7          | -                     | 154               |
| Profit before tax                              | 69                                       | 26        | 14              | 41                             | (1)      | 7          | -                     | 156               |
| Income tax expense                             |  |           |                 |                                |          |            |                       | (45)              |
| <b>Group Profit after tax</b>                  |  |           |                 |                                |          |            |                       | <b>111</b>        |
| Minority interest                              |  |           |                 |                                |          |            |                       | (2)               |
| <b>Net profit attributable to shareholders</b> |  |           |                 |                                |          |            |                       | <b>109</b>        |

**6. Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: share options. In order to adjust the weighted average number of shares for the share options a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is added to the weighted average number of ordinary shares in issue in order to determine the weighted average number of ordinary shares used for the calculation of the diluted earnings per share.

|   | Three months ended<br>31 March |             |             |
|---|--------------------------------|-------------|-------------|
|   | 2006                           | 2005        |             |
| Net profit for period attributable to ordinary shareholders               | € million                      | 146         | 109         |
| Weighted average number of ordinary shares in issue                       | Number of shares               | 317,391,829 | 313,822,638 |
| Weighted average number of ordinary shares for diluted earnings per share | Number of shares               | 318,039,945 | 313,885,471 |
| Basic earnings per share  | €                              | 0.46        | 0.35        |
| Diluted earnings per share  | €                              | 0.46        | 0.35        |

**7. Shares in subsidiary undertakings****(a) Hellas on Line S.A.**

In January 2006, the Group disposed of its 100% holding in Hellas on Line S.A. The subsidiary was sold for a defined consideration of € 19 million plus consideration contingent on future services. The initial gain on disposal of € 15.6 million excludes the contingent consideration and is included in other operating income. The net cash inflow on disposal after deducting cash in the subsidiary disposed was € 8 million.

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

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

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

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

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

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

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

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

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

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

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

In March 2006, the Group increased its shareholding in Global Fund Management S.A. to 72% from 44.44%; the investment has been transferred from associated undertakings to subsidiary undertakings.

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

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

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

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

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

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

**(k) Eurobank EFG Fund Management Co. (Lux) S.A.**

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

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

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

**(m) Tekfenbank A.S.**

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



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

In January 2006, the Group disposed of its 28.4% stake in its associated undertaking, LogicDIS. The gain on disposal, estimated at € 2.5 million, is included in other operating income.

**Post balance sheet events****(b) Global Finance S.A.**

In April 2006, Berberis Investment Limited (100% subsidiary of the Group) completed the sale of 30% of Global Finance S.A. Following the transaction, the Group's participation in Global Finance S.A. decreased to 19.9%.

**9. Income tax expense**

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

**10. Liabilities evidenced by paper**

During the three months ended 31 March 2006, the following new issues and repayments of liabilities evidenced by paper took place :

|                          | New issues<br>€million | Repayments<br>€million |
|--------------------------|------------------------|------------------------|
| <b>Short-term debt</b>   |                        |                        |
| Commercial Paper (ECP)   |                        |                        |
| - fixed rate             | 1,386                  | 1,706                  |
| <b>Long-term debt</b>    |                        |                        |
| Medium-term notes (EMTN) |                        |                        |
| - fixed rate             | 161                    | 197                    |
| - floating rate          | 25                     | -                      |
| Securitised              |                        |                        |
| - floating rate          | -                      | 50                     |
| <b>Total</b>             | <b>1,572</b>           | <b>1,953</b>           |

**Post balance sheet event**

In April 2006, the Group issued USD 500 million floating rate medium term notes, through its subsidiary EFG Hellas Plc, under its Euro Medium Term Note (EMTN) program.

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

The par value of the Bank's shares is € 3.30 per share. All shares are fully paid. The movement of share capital, share premium and treasury shares is as follows:

|                             | Ordinary<br>share<br>capital<br>€million | Treasury<br>shares<br>€million | Net<br>€million | Share<br>premium<br>€million | Treasury<br>shares<br>€million | Net<br>€million |
|-----------------------------|--|--------------------------------|-----------------|------------------------------|--------------------------------|-----------------|
| At 1 January 2006           | 1,054                                    | (7)                            | 1,047           | 523                          | (41)                           | 482             |
| Purchase of treasury shares | -  | (0)                            | (0)             | -                            | (2)                            | (2)             |
| <b>At 31 March 2006</b>     | <b>1,054</b>                             | <b>(7)</b>                     | <b>1,047</b>    | <b>523</b>                   | <b>(43)</b>                    | <b>480</b>      |

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

**Post balance sheet events**

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

- (a) the distribution to shareholders of 2 bonus shares for every 10 held,
- (b) the distribution of 655,000 free shares to employees, also entitled to 2 bonus shares for every 10. Therefore, the total amount of free shares to employees is adjusted to 786,000 shares,
- (c) the cancellation of 786,000 treasury shares by the Bank, equal and opposite to (b) above, and
- (d) the renewal of the treasury shares special scheme for one year within the price range of € 5.00 to € 33.33 per share for a total of up to 5% of the Bank's shares.

**12. Share options**

The Group grants share options to executive directors, management and employees. All options are equity-settled and may be exercised wholly or partly at their owners' option provided that the vesting requirements are met.

**Post balance sheet events**

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

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

**13. Preferred securities**

The movement of preferred securities issued by the Group through its Special Purpose Entity, EFG Hellas Funding Limited, is as follows:

|                              | Series A<br>€million | Series B<br>€million | Series C<br>€million | Total<br>€million |
|------------------------------|----------------------|----------------------|----------------------|-------------------|
| At 1 January 2006            | 178                  | 397                  | 187                  | 762               |
| Sale of preferred securities | 13                   | -                    | 9                    | 22                |
| <b>At 31 March 2006</b>      | <b>191</b>           | <b>397</b>           | <b>196</b>           | <b>784</b>        |

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

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

As at 31 March 2006 the Group's contingent liabilities in terms of guarantees and standby letters of credit amounted to € 1,500 million (31 December 2005: € 1,448 million) and the Group's documentary credits amounted to € 68 million (31 December 2005: € 72 million).

Group's capital commitments in terms of property, plant and equipment amounted to € 19 million (31 December 2005: € 10 million). The unused credit facilities as at 31 March 2006 amounted to € 9,623 million (31 December 2005: € 9,060 million)

**15. Post balance sheet events**

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

- Note 7 - Shares in subsidiary undertakings
- Note 8 - Investments in associated undertakings
- Note 10 - Liabilities evidenced by paper
- Note 11 - Ordinary share capital, share premium and treasury shares
- Note 12 - Share options
- Note 18 - Dividends

**16. Acquisition of subsidiaries**

Details of acquisitions of subsidiaries during the period from 1 January 2006 to 31 March 2006 are as follows:

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

The above acquisitions have been accounted for by the purchase method of accounting. The acquired companies contributed a net profit of € 0.2 million to the Group during the period from the date of their acquisition to 31 March 2006. If the acquisitions had been completed on 1 January 2006, the acquired companies would have contributed revenue of € 0.4 million and net loss of € 0.1 million for the three months ended 31 March 2006.

The acquisition of the remaining 37.69% of the share capital of Nacionalna Stedionica Banka A.D., Beograd on 27 March 2006 is accounted for as equity transaction with any difference between the consideration and the share of the additional net assets acquired recorded directly in equity, in accordance with the Group's accounting policies.

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

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

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

The acquisitions of Nacionalna Stedionica Banka A.D., Beograd and EFG Istanbul Holding AS continue to be presented provisionally since the determination of the subsidiaries' identifiable assets, liabilities or contingent liabilities has not been finalized.

**17. Related party transactions**

The Bank is a member of the EFG Group, the ultimate parent company of which is EFG Bank European Financial Group, a bank incorporated in Switzerland. The EFG Group holds 41% of the ordinary shares. The remaining 59% of the shares are widely held. All the voting rights in EFG Bank European Financial Group are held by the Latsis family, the ultimate controlling party of the Group.

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

|   | 31 March 2006                           |           |           | 31 December 2005                        |           |           |
|---|---|-----------|-----------|---|-----------|-----------|
|   | Key                                     |           |           | Key                                     |           |           |
|   | EFG management                          |           |           | EFG management                          |           |           |
|   | Group                                   | personnel | Other     | Group                                   | personnel | Other     |
|   | € million                               | € million | € million | € million                               | € million | € million |
| Loans and advances to banks                         | 0                                       | -         | -         | -                                       | -         | -         |
| Available for sale investment securities            | 57                                      | -         | 31        | 30                                      | -         | 25        |
| Loans and advances to customers                     | -                                       | 6         | 65        | -                                       | 6         | 128       |
| Other assets  | 0                                       | -         | 1         | 0                                       | 0         | 2         |
| Due to other banks                                  | 29                                      | -         | -         | 25                                      | -         | -         |
| Due to customers and liabilities evidenced by paper | 210                                     | 36        | 201       | 290                                     | 21        | 114       |
| Other liabilities                                   | 1                                       | 0         | 1         | 0                                       | -         | 0         |
| Letters of guarantee issued                         | 369                                     | -         | 2         | 365                                     | -         | 2         |
| Letters of guarantee received                       | 411                                     | -         | 0         | 517                                     | -         | -         |
|   | <b>three months ended 31 March 2006</b> |           |           | <b>three months ended 31 March 2005</b> |           |           |
| Net interest income/(expense)                       | (2)                                     | (0)       | 0         | (4)                                     | -         | 0         |
| Net banking fee and commission income/(expense)     | 0                                       | -         | 1         | -                                       | -         | -         |

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

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

**Key management compensation (including directors)**

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments. Key management personnel received total compensation of € 3 million for the three months ended 31 March 2006 (three months ended 31 March 2005: € 2 million).

**18. Dividends**

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

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