



# **EFG EUROBANK ERGASIAS S.A.**

**FINANCIAL REPORT  
for the six months ended  
30 June 2010**

**According to Article 5 of the Law 3556/2007**

## **Table of Contents**

- I. Declaration (according to the article 5, par. 2 of the Law 3556/2007)***
- II. Interim Directors' Report***
- III. Auditor's Report on Review of Interim Financial Information***
- IV. Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2010***
- V. Financial Data and Information for the period from 1 January to 30 June 2010***

***I. Declaration (according to the article 5, par. 2 of the Law 3556/2007)***

**Declaration**  
**(according to the article 5, par.2 of the Law 3556/2007)**

To the best of our knowledge, the financial statements of EFG Eurobank Ergasias S.A. (the Bank) and the consolidated financial statements of the Bank and its subsidiaries (the Group) for the six months ended 30 June 2010 comply with applicable accounting standards, and present fairly the financial position and the results of the Bank and the Group.

Furthermore, to the best of our knowledge, the Report of the Directors for the same period presents fairly the information required by paragraph 6 of article 5 of Law 3556/2007.

Athens, 27 August 2010

**Efthymios N. Christodoulou**  
I.D. No AB - 049358  
CHAIRMAN OF THE BOARD OF DIRECTORS

**Nicholas C. Nanopoulos**  
I.D. No AE - 586794  
CHIEF EXECUTIVE OFFICER

**Michael H. Colakides**  
I.D. No 486588  
DEPUTY CHIEF EXECUTIVE OFFICER

## ***II. Interim Directors' Report***

**Report of the directors**

The directors present their report together with the accounts for the six months ended 30 June 2010.

**Activities and Regional Presence**

The Eurobank EFG Group (Eurobank EFG or the Group) is a financial services provider engaged in retail, corporate and private banking, asset management, insurance, and treasury and capital markets services. The Group operates through branches, offices and subsidiaries in Greece and the region of Central, Eastern and South-eastern Europe (New Europe). Its regional presence is concentrated primarily in A-rated countries (Poland and Cyprus) and also European Union members and candidate member nations (Romania, Bulgaria, Serbia and Turkey).

**Profit Attributable**

The profit attributable to shareholders of Eurobank EFG for the first half of 2010, before taking into account the special tax contribution imposed by the Greek Government in May 2010 on 2009 net revenues, amounted to €95m (2009: €169m). After the special tax contribution, the profit attributable to shareholders amounted to €50m as set out in the consolidated income statement on page 3.

**Ordinary Share Capital**

As at 30 June 2010, the ordinary share capital amounts to €1,481,136,126 divided into 538,594,955 ordinary voting shares of a nominal value of €2.75 each. All ordinary shares are registered, listed on the Athens Stocks Exchange and incorporate all the rights and obligations set by the Greek law (note 13 to the accounts).

**Preference Share Capital**

As at 30 June 2010, the preference share capital amounts to €950,125,000 divided into 345,500,000 non-voting, non-listed, non-transferable, 10% Preference shares, with nominal value €2.75 each, issued under Law 3723/2008 on 'Greek Economy Liquidity Support Program', and subscribed to by the Hellenic Republic. This entitles the Government to appoint its representative to the Board of Directors, veto cash dividend distributions and the acquisition of treasury shares, and restrict management remuneration (note 14 to the accounts).

## **Dividends**

Pursuant to Laws 3723/2008, 3756/2009 and 3844/2010, banks participating in the Greek Economy Liquidity Support Program were prohibited from declaring a cash dividend to the ordinary shareholders for 2009. In June 2010, and following the Annual General Meeting's approval, the 10% preference dividend for 2009 amounting to €59m was paid to the Hellenic Republic.

## **Financial Results Review**

The sovereign debt crisis in Greece has adversely affected the Group's operations, which have been adjusted accordingly in order to be aligned to the prevailing conditions. As a result, in the 12 months to June 2010, Eurobank EFG grew its Balance Sheet by a moderate 2.9% to €86.9bn, following a corresponding increase of lending volumes by 3.2% to €56.7bn.

During this period, the loan book continued shifting towards lower risk categories, with loans excluding consumer lending increasing by €3.2bn whereas consumer lending was down by €1.5bn. During the same period, deposits, impacted by the adverse macroeconomic conditions in Greece, decreased by 7.5%, totalling €43.5bn. The deposit reduction was contained in the second quarter of 2010 and the loan to deposits ratio for the Group at the end of June stood at 130%. In New Europe, over the last 18 months, ie during the crisis, deposits increased by €1.3bn, whereas loans grew by €0.7bn; hence the New Europe loan to deposits ratio has improved from 165% to 149%.

Despite the adverse market conditions and the significantly higher funding cost, the Group managed to preserve its pre-provision income (PPI). In 2010, the six months' PPI reached €800m, up 6.5% year-on-year, supported by resilient core income and tight cost management. Net interest income amounted to €1,153m, up 2% on 2009's first half, with net interest margin at 2.69%. Fees and commissions, driven by New Europe, expanded by 8% year-on-year. In addition, tight control on operating expenses reduced costs by 3.2% year-on-year, achieving a cost-to-income ratio of 46.7% (1H2009: 49.1%).

The improved PPI fully absorbed the increased loan provisions of €682m or 2.42% of average net loans, with non performing loans at 6.3% of gross loans. In New Europe the de-escalation of provisions continued for the fourth consecutive quarter, and provisioning charges were 11% lower year-on-year.

Overall, despite the adversities in Greece and the unprecedented conditions, the Group preserved pre-provision profitability, supported by proven cost containment competencies and the improving environment and profitability in New Europe. Net profit attributable to shareholders, before the special tax contribution, amounted to €95m (1H2009: €169m) including New Europe's results of €12m profits from €26m losses recorded in the first half of 2009.

### **Business Outlook and Risks**

In order to address the substantial issues of Greece's public finances and the structural problems of the Greek economy, the Greek Government entered into an agreement with the European Union (EU), the European Central Bank (ECB) and the International Monetary Fund (IMF) for a three-year €110bn refinancing and restructuring programme. The programme addresses all of Greece's funding needs during the three-year period, and aims for a budget deficit of less than 3% in 2014, based on estimations of Gross Domestic Product (GDP) contraction of 4% for 2010 and 2.6% for 2011.

Included in the programme are unprecedented measures to improve tax collection, rationalize the civil service and the pension system, initiate structural changes and improve competitiveness, as well as measures to support the liquidity and solvency of domestic banks. The programme contains explicit timetables, detailed conditionalities and quarterly targets, and a strict monitoring system to ensure its successful implementation.

To date significant reforms and measures have already been enacted and the latest EU/ECB/IMF announcements stated that the Greek Government is on track to meet its obligations under the programme for 2010, including its budget deficit target.

With regard to Central and South-eastern European countries, macroeconomic conditions overall are on an improving trend, but the pace of recovery varies by country. Turkey and, to a lesser extent Poland, are expected to outperform the others, partly because the global financial crisis found these economies with relatively low levels of financial leverage and in a better position to deal with external shocks. Serbia and Ukraine show signs of improvement, featuring a moderate growth rebound. Bulgaria, Romania and Cyprus are expected to display broadly flat GDP growth this year. The Group maintains a positive view on the medium-term outlook of most economies in New Europe and expects regional markets to steadily recover once global uncertainties subside.



The uncertainties created by the sovereign debt issues in most EU countries raised significant concerns regarding the stability of the European banking system. To address this, the Committee of European Banking Supervisors (CEBS) in co-operation with ECB and EU authorities carried out stress tests of the systemically important banks in the European Union simulating extreme macroeconomic deterioration over the next two years. Eurobank EFG, as well as the majority of the banks tested, registered comfortable capital levels even under the extreme and highly improbable scenario, with Tier 1 at the end of 2011 at 8.17%, significantly higher than the minimum required for the purpose of the stress test of 6%.

As noted above, the main risks for the next 12 months stem from the macroeconomic environment and the success, or otherwise, of the fiscal adjustments in Greece and their impact on the economy. To date satisfactory results have been registered, but progress could be compromised by external shocks from the global economy as well as implementation risks and reform fatigue in Greece.

Continuation of the recession could adversely affect the region and could lead to lower profitability and deterioration of asset quality. In addition, increased funding cost remains a significant risk, as it is dependent on the level of sovereign spreads, as well as foreign exchange rate risk, due to the unstable nature of some currencies. Finally, the Group holds positions in the bond, stock and foreign exchange markets and consequently is exposed to the risk of losses if market valuations decrease.

In this environment, Eurobank EFG remains profitable adjusting continuously to the new requirements. The shift towards collateralised lending, self funded growth and more promising countries has been in place for some time. In addition, the Group continues to reduce its cost base in order to increase the efficiency of operations. It also strengthens collection efforts to maximize loan recoveries by redeploying resources where necessary, and implements conservative provisioning policies. Finally, the Group improves continuously the effectiveness of balance sheet management and reinforces capital and liquidity.

Eurobank EFG strongly believes that the recent developments and decisions of the Greek Government and their strict implementation, combined with continued support from the EU, the ECB and the IMF, will enable Greece's fiscal imbalances to be rectified. In this context, the Group supports the recovery of the Greek economy and stands by its

clients, deepens relationships with them, and strengthens the value of its franchise.

### **Greek Economy Liquidity Support Program**

The Eurobank EFG Group participates in the Greek Government's plans to support liquidity in the Greek economy under Law 3723/2008, as amended (note 18 to the accounts).

### **Related party transactions**

All transactions with related parties are entered into the normal course of business on an arm's length basis. There are no material related party transactions (note 20 to the accounts).

Efthymios Christodoulou  
Chairman

Nicholas Nanopoulos  
Chief Executive Officer

27 August 2010

### ***III. Auditor's Report on Review of Interim Financial Information***

## **Report on Review of Interim Financial Information**

**To the Shareholders of EFG EUROBANK ERGASIAS S.A.**

### ***Introduction***

We have reviewed the accompanying condensed company and consolidated balance sheet of EFG EUROBANK ERGASIAS S.A. (the "Bank") and its subsidiaries as of 30 June 2010 and the related condensed company and consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### ***Scope of review***

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

### ***Conclusion***

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

### ***Reference to Other Legal and Regulatory Requirements***

Our review has not revealed any inconsistency or discrepancy of the other information included in the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.



PricewaterhouseCoopers S.A.  
268 Kifissias Avenue  
152 32 Halandri  
SOEL Reg. No. 113

Athens, 30 August 2010  
THE CERTIFIED AUDITOR

Marios Psaltis  
SOEL Reg. No. 38081

***IV. Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2010***



**EFG EUROBANK ERGASIAS S.A.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED**

**30 JUNE 2010**

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

## 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 Comprehensive Income	5
Consolidated Interim Statement of Changes in Equity	6
Consolidated Interim Cash Flow Statement	7
Selected Explanatory Notes to the Condensed Consolidated Interim Financial Statements	
1 General information	8
2 Basis of preparation of condensed consolidated interim financial statements	8
3 Principal accounting policies	8
4 Critical accounting estimates and judgements in applying accounting policies	8
5 Segment information	8
6 Earnings per share	9
7 Income tax expense	9
8 Provision for impairment losses on loans and advances to customers	9
9 Investment securities	10
10 Shares in subsidiary undertakings	10
11 Other assets	12
12 Debt issued and other borrowed funds	12
13 Ordinary share capital, share premium and treasury shares	12
14 Preference shares	13
15 Preferred securities	13
16 Contingent liabilities and capital expenditure commitments	13
17 Post balance sheet events	13
18 Stress test for the European Banks	13
19 Greek Economy Liquidity Support Program	13
20 Related party transactions	14
21 Dividends	14

	Note	Six months ended 30 June		Three months ended 30 June	
		2010 €million	2009 €million	2010 €million	2009 €million
Net interest income		1,153	1,134	561	590
Net banking fee and commission income		215	197	106	102
Net insurance income		21	22	10	11
Income from non banking services		17	15	8	8
Dividend income		4	6	3	6
Net trading income		20	53	(4)	9
Gains less losses from investment securities		70	25	55	8
Other operating income		2	24	(2)	17
<b>Operating income</b>		<b>1,502</b>	<b>1,476</b>	<b>737</b>	<b>751</b>
Operating expenses		(702)	(725)	(348)	(363)
<b>Profit from operations before impairment losses on loans and advances</b>		<b>800</b>	<b>751</b>	<b>389</b>	<b>388</b>
Impairment losses on loans and advances	8	(682)	(550)	(346)	(287)
Share of results of associates		(2)	2	(3)	2
<b>Profit before tax</b>		<b>116</b>	<b>203</b>	<b>40</b>	<b>103</b>
Income tax expense	7	(59)	(29)	(4)	(14)
<b>Net profit for the period</b>		<b>57</b>	<b>174</b>	<b>36</b>	<b>89</b>
Net profit for the period attributable to minority interest		7	5	2	1
<b>Net profit for the period attributable to shareholders*</b>		<b>50</b>	<b>169</b>	<b>34</b>	<b>88</b>
<b>* Comparable profit for the period excluding:</b>					
- Special tax contribution	7	45	-	-	-
<b>Net profit for the period excluding special tax contribution</b>		<b>95</b>	<b>169</b>	<b>34</b>	<b>88</b>
		€	€	€	€
<b>Earnings per share</b>					
- Basic and diluted earnings per share	6	(0.05)	0.61	(0.01)	0.19
- Basic and diluted earnings per share excluding preferred securities' gains/(losses)	6	(0.04)	0.28	(0.01)	0.14
<b>Earnings per share excluding special tax contribution</b>					
- Basic and diluted earnings per share	6	0.04	0.61	(0.01)	0.19
- Basic and diluted earnings per share excluding preferred securities' gains/(losses)	6	0.04	0.28	(0.01)	0.14

Notes on pages 8 to 14 form an integral part of these condensed consolidated interim financial statements



	<b>Note</b>	<b>30 June 2010 €million</b>	<b>31 December 2009 € million</b>
<b>ASSETS</b>			
Cash and balances with central banks		3,133	3,079
Loans and advances to banks		5,599	4,784
Financial instruments at fair value through profit or loss		583	868
Derivative financial instruments		1,858	1,224
Loans and advances to customers		56,749	55,837
Investment securities	9	15,559	15,243
Intangible assets		715	710
Property, plant and equipment		1,223	1,252
Other assets	11	1,448	1,272
<b>Total assets</b>		<b>86,867</b>	<b>84,269</b>
<b>LIABILITIES</b>			
Due to other banks		1,725	2,258
Repurchase agreements with banks		24,471	17,188
Derivative financial instruments		3,602	2,274
Due to customers		43,511	46,808
Debt issued and other borrowed funds	12	5,726	7,667
Other liabilities		1,819	1,760
<b>Total liabilities</b>		<b>80,854</b>	<b>77,955</b>
<b>EQUITY</b>			
Ordinary share capital	13	1,480	1,480
Share premium	13	1,441	1,441
Other reserves		1,076	1,377
<b>Ordinary shareholders' equity</b>		<b>3,997</b>	<b>4,298</b>
Preference shares	14	950	950
Preferred securities	15	796	791
Minority interest		270	275
<b>Total</b>		<b>6,013</b>	<b>6,314</b>
<b>Total equity and liabilities</b>		<b>86,867</b>	<b>84,269</b>

Notes on pages 8 to 14 form an integral part of these condensed consolidated interim financial statements

	Six months ended 30 June		Three months ended 30 June	
	2010 € million	2009 € million	2010 € million	2009 € million
<b>Profit for the period</b>	<u>57</u>	<u>174</u>	<u>36</u>	<u>89</u>
<b>Other comprehensive income:</b>				
<b>Cash flow hedges</b>				
- net changes in fair value, net of tax	(61)	(16)	(29)	(13)
- transfer to net profit, net of tax	<u>1</u>	<u>5</u>	<u>(2)</u>	<u>3</u>
	(60)	(11)	(31)	(10)
<b>Available for sale securities</b>				
- net changes in fair value, net of tax	(108)	82	(43)	190
- transfer to net profit, net of tax	<u>(96)</u>	<u>20</u>	<u>(50)</u>	<u>29</u>
	(204)	102	(93)	219
- net changes in fair value, net of tax- associated undertakings	(1)	3	(1)	3
- transfer to net profit, net of tax	<u>1</u>	<u>(0)</u>	<u>1</u>	<u>(0)</u>
	(0)	3	(0)	3
<b>Foreign currency translation</b>				
- net changes in fair value, net of tax	(6)	(30)	(14)	16
- transfer to net profit, net of tax	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>-</u>
	(6)	(30)	(14)	16
<b>Other comprehensive income for the period</b>	<u>(270)</u>	<u>64</u>	<u>(138)</u>	<u>228</u>
<b>Total comprehensive income for the period attributable to:</b>				
Shareholders	(219)	234	(103)	314
Minority interest	<u>6</u>	<u>4</u>	<u>1</u>	<u>3</u>
	<u>(213)</u>	<u>238</u>	<u>(102)</u>	<u>317</u>

Notes on pages 8 to 14 form an integral part of these condensed consolidated interim financial statements

	Attributable to ordinary shareholders of the Bank					Preference shares €million	Preferred securities €million	Minority interest €million	Total €million
	Ordinary share capital €million	Share premium €million	Special reserves €million	Retained earnings €million	Total €million				
<b>Balance at 1 January 2009</b>	1,378	1,100	481	628	3,587	-	705	331	4,623
Other comprehensive income for the period	-	-	65	-	65	-	-	(1)	64
Profit for the period	-	-	-	169	169	-	-	5	174
Total comprehensive income for the six months ended 30 June 2009	-	-	65	169	234	-	-	4	238
Distribution of free shares to staff	2	4	-	-	6	-	-	-	6
Issue of preference shares, net of expenses	-	(10)	-	-	(10)	950	-	-	940
Acquisitions/changes in participating interests in subsidiary and associated undertakings	-	-	-	0	0	-	-	(37)	(37)
Purchase/sale of preferred securities	-	-	-	168	168	-	(237)	-	(69)
Preferred securities' dividend paid	-	-	-	(14)	(14)	-	-	-	(14)
Dividends paid in the form of free shares	29	-	-	(31)	(2)	-	-	-	(2)
Dividends distributed by subsidiaries attributable to minority interest	-	-	-	-	-	-	-	(10)	(10)
Share-based payments:									
- Value of employee services	-	-	5	-	5	-	-	-	5
Purchase of treasury shares	(1)	(1)	-	-	(2)	-	-	-	(2)
Sale of treasury shares, net of tax	0	0	-	-	0	-	-	-	0
	30	(7)	5	123	151	950	(237)	(47)	817
<b>Balance at 30 June 2009</b>	1,408	1,093	551	920	3,972	950	468	288	5,678
<b>Balance at 1 January 2010</b>	1,480	1,441	678	699	4,298	950	791	275	6,314
Other comprehensive income for the period	-	-	(269)	-	(269)	-	-	(1)	(270)
Profit for the period	-	-	-	50	50	-	-	7	57
Total comprehensive income for the six months ended 30 June 2010	-	-	(269)	50	(219)	-	-	6	(213)
Acquisitions/changes in participating interests in subsidiary and associated undertakings	-	-	-	(0)	(0)	-	-	(0)	(0)
Purchase/sale of preferred securities	-	-	-	(2)	(2)	-	5	-	3
Preference shares' and preferred securities' dividend paid	-	-	-	(81)	(81)	-	-	-	(81)
Dividends distributed by subsidiaries attributable to minority interest	-	-	-	-	-	-	-	(11)	(11)
Share-based payments:									
- Value of employee services	-	-	2	-	2	-	-	-	2
Purchase of treasury shares	(0)	(0)	-	-	(0)	-	-	-	(0)
Sale of treasury shares, net of tax and related expenses	0	0	-	(1)	(1)	-	-	-	(1)
	-	-	2	(84)	(82)	-	5	(11)	(88)
<b>Balance at 30 June 2010</b>	1,480	1,441	411	665	3,997	950	796	270	6,013
	Note 13	Note 13				Note 14	Note 15		

Notes on pages 8 to 14 form an integral part of these condensed consolidated interim financial statements

Note	Six months ended 30 June	
	2010 €million	2009 €million
<b>Cash flows from operating activities</b>		
Interest received and net trading receipts	1,781	2,396
Interest paid	(810)	(1,381)
Fees and commissions received	328	336
Fees and commissions paid	(59)	(52)
Other income received	53	54
Cash payments to employees and suppliers	(578)	(573)
Income taxes paid	(32)	(16)
Cash flows from operating profits before changes in operating assets and liabilities	683	764
<b>Changes in operating assets and liabilities</b>		
Net (increase)/decrease in cash and balances with central banks	(243)	(154)
Net (increase)/decrease in financial instruments at fair value through profit or loss	25	285
Net (increase)/decrease in loans and advances to banks	(905)	1,050
Net (increase)/decrease in loans and advances to customers	(1,222)	728
Net (increase)/decrease in derivative financial instruments	224	(558)
Net (increase)/decrease in other assets	(98)	(173)
Net increase/(decrease) in due to other banks and repurchase agreements	6,734	1,166
Net increase/(decrease) in due to customers	(3,385)	1,143
Net increase/(decrease) in other liabilities	(117)	153
<b>Net cash from/(used in) operating activities</b>	1,696	4,404
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(42)	(57)
Proceeds from sale of property, plant and equipment and intangible assets	14	19
Purchases of investment securities	(2,698)	(6,901)
Proceeds from sale/redemption of investment securities	2,598	4,346
Acquisition of subsidiary undertakings net of cash acquired	0	(38)
Acquisition of associated undertakings	2	(7)
Dividends from investment securities and associated undertakings	29	4
<b>Net cash from/(used in) investing activities</b>	(97)	(2,634)
<b>Cash flows from financing activities</b>		
Proceeds from debt issued and other borrowed funds	352	3,305
Repayments of debt issued and other borrowed funds	(2,409)	(4,187)
Purchases of preferred securities	(79)	(71)
Proceeds from sale of preferred securities	84	2
Preference shares' and preferred securities' dividend paid	(81)	(14)
Expenses for issue of preference shares	-	(10)
Purchases of treasury shares	(0)	(2)
Sale of treasury shares, net of expenses	(1)	0
Net contributions by minority interest	(11)	(9)
<b>Net cash from/(used in) financing activities</b>	(2,145)	(986)
Effect of exchange rate changes on cash and cash equivalents	6	(41)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(540)	743
Cash and cash equivalents at beginning of period	4,182	5,180
<b>Cash and cash equivalents at end of period</b>	3,642	5,923

Notes on pages 8 to 14 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 (New Europe).

These condensed consolidated interim financial statements were approved by the Board of Directors on 27 August 2010.

**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 2009. 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.

**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 2009.

The following amendments to standards and interpretations are effective from 1 January 2010, but currently, they do not have a significant effect to the Group's financial statements:

- IAS 27, Revised - Consolidated and Separate Financial Statements
- IAS 39, Amendment - Eligible Hedged Items
- IFRS 2, Amendments - Group Cash settled Share based payment transactions
- IFRS 3, Revised - Business Combinations
- IFRIC 15, Agreements for the Construction of Real Estate
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation
- IFRIC 17, Distributions of Non-cash Assets to Owners
- Amendments to various Standards that form part of IASB's 2009 Annual Improvement Project

**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 2009.

**5. 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 (New Europe). Greece is further segregated into retail, wholesale, wealth management, and global and capital markets while New Europe 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:

- 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.
- New Europe - incorporating operations in Poland, Romania, Bulgaria, Serbia, Cyprus, the 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 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.

## 5. Segment information (continued)

For the six months ended 30 June 2010								
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	New Europe € million	Elimination center € million	Total € million
External revenue	608	253	47	85	26	483	-	1,502
Inter-segment revenue	49	3	(16)	(18)	7	(3)	(22)	-
Total revenue	657	256	31	67	33	480	(22)	1,502
Profit before tax	(40)	161	(1)	30	(5)	(29)	0	116
Minority interest	-	-	0	-	(8)	(1)	-	(9)
Profit before tax attributable to shareholders	(40)	161	(1)	30	(13)	(30)	0	107

  

For the six months ended 30 June 2009								
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	New Europe € million	Elimination center € million	Total € million
External revenue	573	226	47	100	66	464	0	1,476
Inter-segment revenue	36	11	(11)	(18)	7	(1)	(24)	-
Total revenue	609	237	36	82	73	463	(24)	1,476
Profit before tax	22	161	5	47	43	(75)	0	203
Minority interest	-	-	0	-	(11)	6	-	(5)
Profit before tax attributable to shareholders	22	161	5	47	32	(69)	0	198

## 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 potentially dilutive ordinary shares. The Group has three categories of potentially dilutive ordinary shares: share options, contingently (performance based) issuable shares 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 share 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.

		Six months ended 30 June		Three months ended 30 June	
		2010	2009	2010	2009
Net profit for the period attributable to ordinary shareholders (after deducting dividend attributable to preference shares, preferred securities holders, special tax contribution and after including gains/(losses) on preferred securities)	€ million	(25)	312	(4)	98
Weighted average number of ordinary shares in issue	Number of shares	537,994,844	511,885,796	537,856,958	511,783,658
Weighted average number of ordinary shares for diluted earnings per share	Number of shares	537,994,844	512,235,377	537,856,958	512,133,239
Basic and diluted earnings per share	€	(0.05)	0.61	(0.01)	0.19
Basic and diluted earnings per share excluding gains/(losses) on preferred securities	€	(0.04)	0.28	(0.01)	0.14
<b>Earnings per share excluding special tax contribution (note 7)</b>					
Basic and diluted earnings per share	€	0.04	0.61	(0.01)	0.19
Basic and diluted earnings per share excluding gains/(losses) on preferred securities	€	0.04	0.28	(0.01)	0.14

Share options did not have an effect on the diluted earnings per share for the six months ended 30 June 2010, as their exercise price exceeded the average market share for the period. The Series D and Series E of preferred securities (note 15), issued in July and November 2009 respectively, were not included in the calculation of diluted earnings per share as at June 30, 2010 as their effect would have been anti-dilutive. Performance based issuable shares were not included in the calculation of diluted earnings per share (including special tax contribution) as at 30 June 2010 as their effect would have been anti-dilutive.

## 7. Income tax expense

As of January 2010 the nominal Greek corporate tax rate is 24% for non-distributed profits and 40% for distributed profits.

Income tax expense includes the amount of € 45 million being a special tax contribution imposed by Law 3845/May 2010 on legal entities' net revenues of 2009. The amount is payable in 2011.

## 8. Provision for impairment losses on loans and advances to customers

	Total € million
At 1 January 2010	1,742
Impairment losses on loans and advances charged in the period	682
Amounts recovered during the period	25
Loans written off during the period as uncollectible	(421)
Foreign exchange differences and other movements	(30)
<b>At 30 June 2010</b>	<b>1,998</b>

## 9. Investment securities

	30 June 2010	31 December 2009
	€ million	€ million
Available-for-sale investment securities	3,182	6,955
Debt securities lending portfolio	8,790	4,663
Held-to-maturity investment securities	3,587	3,625
	<b>15,559</b>	<b>15,243</b>

In 2008 and 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 recognized in interest income using the effective interest rate method. If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 31 December 2009 would have resulted in € 498 million losses net of tax, which would have been recognized in the available-for-sale revaluation reserve. Respectively, changes in the fair value for the period ended 30 June 2010 would have resulted in € 420 million losses net of tax, which would have been recognized in the available-for-sale revaluation reserve.

In April 2010 and in accordance with IAS 39, the Group has reclassified debt securities of € 3,518 million, listed on non-active markets, which the Group has the intention and ability to hold for the foreseeable future, from the "Available-for-sale" portfolio to "Debt securities lending" portfolio carried at amortised cost. From the reclassified amount, € 2,093 million are hedged for changes in the fair value attributable to interest rate risk, for which the Group will continue to apply hedging accounting. Interest on the reclassified securities will continue to be recognised in interest income using the effective interest rate method.

The carrying amount of the reclassified securities as at 30 June 2010 is € 3,461 million. In 2010, until the reclassification date, losses of € 118 million net of tax, arising from changes in the fair value of the securities, are recorded in the available-for-sale revaluation reserve (period to 30 June 2009: gains of € 37 million, net of tax). If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 30 June 2010 would have resulted in € 311 million losses net of tax, which would have been recognised in the available-for-sale revaluation reserve.

In April 2010 the Group reclassified from the "Available-for-sale" portfolio to "Held-to-maturity" portfolio debt securities of € 102 million due to change of intention to hold the securities to maturity.

## 10. Shares in subsidiary undertakings

The following is a listing of the Group's subsidiaries as at 30 June 2010:

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.		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 Investment Firm S.A.		100.00	Greece	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.	a	100.00	Greece	Capital markets and advisory services
Eurobank EFG Factors S.A.		100.00	Greece	Factoring
Eurobank EFG Fin and Rent S.A.		100.00	Greece	Vehicle leasing and rental
Eurobank EFG Financial Planning Services S.A.		100.00	Greece	Management of receivables
Eurobank EFG Mutual Funds Mngt Company S.A.		100.00	Greece	Mutual fund management
Eurobank EFG Property Services S.A.		100.00	Greece	Real estate services
Eurobank Properties R.E.I.C.	b, i	55.92	Greece	Real estate investments
Global Fund Management S.A.		99.50	Greece	Investment advisors
Kalabokis Tours & Cargo S.A.	i	55.92	Greece	Real estate services
OPEN 24 S.A.		100.00	Greece	Sundry services
Tavros Protayi Anaptixi S.A.	b	55.92	Greece	Real Estate
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
EFG Securities Bulgaria E.A.D.		100.00	Bulgaria	Capital markets and investment services
IMO Property Investments Sofia E.A.D.	c	100.00	Bulgaria	Real estate services
EFG Hellas (Cayman Islands) Ltd		100.00	Cayman Islands	Special purpose financing vehicle
EFG Hellas II (Cayman Islands) Ltd		100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Limited		100.00	Channel Islands	Holding company
EFG Hellas Funding Limited		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
Eurocredit Retail Services Ltd		100.00	Cyprus	Credit card management
NEU 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 Holding B.V.		100.00	Netherlands	Holding company
EFG New Europe Funding II B.V.		100.00	Netherlands	Finance company
EFG Leasing Poland Sp. z o.o		100.00	Poland	Leasing
EFG Property Services Polska Sp. z o.o		100.00	Poland	Real estate services
EFG Poldystyrbucja Sp. Zo.o		100.00	Poland	Sundry services
Bancpost S.A.	d	99.01	Romania	Banking
EFG Eurobank Securities S.A.		100.00	Romania	Capital markets services
EFG Eurobank Finance S.A.		100.00	Romania	Investment banking

## 10. Shares in subsidiary undertakings (continued)

Name	Note	Percentage Holding	Country of incorporation	Line of business
EFG Leasing IFN S.A.		100.00	Romania	Leasing
EFG Eurobank Mutual Funds Management Romania S.A.I. S.A.	e	99.89	Romania	Mutual fund management
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.		55.92	Romania	Real estate
IMO Property Investments Bucuresti S.A.	f	100.00	Romania	Real estate services
Retail Development S.A.		55.92	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.		55.92	Romania	Real estate
Eurobank EFG a.d. Beograd		99.98	Serbia	Banking
BDD EFG Securities a.d. Beograd	g	100.00	Serbia	Capital market services
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.		55.92	Serbia	Real estate
Eurobank Tekfen A.S.		99.24	Turkey	Banking
EFG Finansal Kiralama A.S.		99.23	Turkey	Leasing
EFG Istanbul Holding A.S.		100.00	Turkey	Holding company
EFG Istanbul Menkul Degerler A.S.		99.24	Turkey	Capital market services
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		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi Options Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME I Holdings Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME I PLC		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME II Holdings Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME II APC Limited		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME II 2009-1 Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Andromeda Leasing I Holdings Ltd		-	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		-	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		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta LNI 1 Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta Options Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Saturn Holdings Limited		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Saturn Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion Mortgage Finance PLC		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion II Mortgage Finance PLC		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion III Mortgage Finance PLC		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion III Holdings Limited		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion IV Mortgage Finance PLC		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion IV Holdings Limited		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion V Mortgage Finance PLC		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion V Holdings Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion VI Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion VI Holdings Limited		-	United Kingdom	Special purpose financing vehicle (SIC 12)
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

**(a) Eurobank EFG Equities S.A., Greece**

In May 2010, Eurobank EFG Securities S.A. merged with Eurobank EFG Telesis Finance S.A., another 100% subsidiary of the Group. The name of Eurobank EFG Securities S.A. changed to Eurobank EFG Equities S.A.

**(b) Eurobank Properties R.E.I.C. and Tavros Prottypi Anaptyxi S.A., Greece**

In June 2010, the Group decided the merger of Eurobank Properties R.E.I.C. with Tavros Prottypi Anaptyxi S.A.

**(c) IMO Property Investments Sofia E.A.D., Bulgaria**

During the period, Business Services Bulgaria E.A.D. was renamed to IMO Property Investments Sofia E.A.D. and started its operations as a real estate services company.

**(d) Bancpost S.A., Romania**

During the period, the Group increased its participation in Bancpost S.A. from 98.98% to 99.01%.

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

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. from 99.88% to 99.89%.

**(f) IMO Property Investments Bucuresti S.A., Romania**

During the period, the Group increased its participation in IMO Property Investments Bucuresti S.A. from 99.99% to 100%.



**10. Shares in subsidiary undertakings (continued)****(g) BDD EFG Securities a.d. Beograd, Serbia**

During the period, the Group increased its participation in BDD EFG Securities a.d. Beograd from 88.32% to 100%.

**(h) Aristolux Investment Fund Management Company S.A., Luxembourg**

During the period, the Group increased its participation in Aristolux Investment Fund Management Company S.A. from 98.40% to 100%. In March 2010, the liquidation of the company was completed.

**Post Balance sheet event****(i) In July 2010, Eurobank Properties R.E.I.C. merged with Kalabokis Tours & Cargo S.A.****11. Other assets**

As at 30 June 2010, investments in associated undertakings amounted to € 41 million (31 December 2009: € 44 million, 30 June 2009: € 45 million) are presented within "Other Assets".

The following is a listing of the Group's associates and joint ventures as at 30 June 2010:

Name	Percentage Holding	Country of incorporation	Line of business
Cardlink S.A.	50.00	Greece	POS administration
Tefin S.A.	50.00	Greece	Motor vehicle sales financing
BD Financial Limited	49.90	British Virgin Islands	Investment company
Unitfinance S.A.	40.00	Greece	Financing company
Dias S.A.	25.36	Greece	Closed-end investment fund

Tefin S.A., Cardlink S.A. and Unitfinance S.A are the Group's joint ventures.

**12. Debt issued and other borrowed funds**

The following is an analysis of the Group's debt issued and other borrowed funds as at 30 June 2010:

	30 June 2010 € million	31 December 2009 € million
<b>Short-term debt</b>		
- Commercial paper (ECP)	6	229
- Other short-term notes	0	53
	<u>6</u>	<u>282</u>
<b>Long-term debt</b>		
- Medium-term notes (EMTN)	3,303	4,367
- Subordinated	499	460
- Securitised	1,918	2,558
	<u>5,720</u>	<u>7,385</u>
<b>Total</b>	<u>5,726</u>	<u>7,667</u>

In the period ended 30 June 2010, the Bank issued € 3,750 million covered bonds and € 7,770 million bonds under the second stream of the Greek Economy Liquidity Support Program (see note 19). As at 30 June 2010, the bonds were fully retained by the Group's subsidiaries.

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.

In the first and second quarter of 2010, notes amounting to € 389 million and € 346 million respectively, issued under the EMTN Program through the Group's special purpose entities, matured.

In May 2010, the Group proceeded with the redemption of credit card asset backed securities Series A and B amounting to € 508 million, issued by its special purpose entity Karta 2005-1 Plc in July 2005.

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

The par value of the Bank's shares is € 2.75 per share. 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
At 1 January 2010	1,481	(1)	1,480	1,450	(9)	1,441
Purchase of treasury shares	-	(0)	(0)	-	(0)	(0)
Sale of treasury shares	-	0	0	-	0	0
<b>At 30 June 2010</b>	<u>1,481</u>	<u>(1)</u>	<u>1,480</u>	<u>1,450</u>	<u>(9)</u>	<u>1,441</u>

  

	Issued ordinary shares	Treasury shares under special scheme	Other treasury shares	Net
At 1 January 2010	538,594,955	-	(594,423)	538,000,532
Purchase of treasury shares	-	-	(117,586)	(117,586)
Sale of treasury shares	-	-	181,306	181,306
<b>At 30 June 2010</b>	<u>538,594,955</u>	<u>-</u>	<u>(530,703)</u>	<u>538,064,252</u>

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 lump sum or gradually in tranches, of a callable bond of up to € 500 million, convertible to ordinary shares of the Bank (see note 15, Series D and E).

**13. Ordinary share capital, share premium and treasury shares (continued)****Treasury shares****a. Treasury shares under special scheme**

As resolved by the Annual General Meeting in April 2008, the Bank established a special scheme, for the acquisition of up to 5% of the Bank's shares under Article 16 of Company Law, to optimise on a medium and long term basis the Group's equity, profits per share, dividends per share and capital adequacy ratios, as well as for use in a possible acquisition. According to the 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. The program expired in April 2010.

**b. Other treasury shares**

In the ordinary course of business, subsidiaries of the Group may acquire and dispose of treasury shares; the majority relates to life insurance activity. These shares are included in Group's accounts at a cost of € 10 million (31 December 2009: € 10 million).

**14. Preference shares**

Preference Shares	
Number of shares	Par Value €million
345,500,000	950
<b>345,500,000</b>	<b>950</b>

At 30 June 2010

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 1 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.

In June 2010, the Annual General Meeting approved the distribution of dividend amounting to € 59 million attributable to preference shares for 2009.

As at 30 June 2010, the dividend attributable to preference shares amounted to € 47 million (30 June 2009: € 11 million).

**15. 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
At 1 January 2010	94	176	173	292	56	791
Purchase of preferred securities	(0)	(4)	(1)	(71)	(3)	(79)
Sale of preferred securities	2	5	2	69	6	84
<b>At 30 June 2010</b>	<b>96</b>	<b>177</b>	<b>174</b>	<b>290</b>	<b>59</b>	<b>796</b>

The rate of preferred dividends for the Tier 1 Issue series A has been determined to 3.48% for the period March 18, 2010 to March 17, 2011.

As at 30 June 2010, the dividend attributable to preferred securities holders amounted to € 26 million (30 June 2009: € 14 million).

As at 30 June 2010, gains/(losses) on preferred securities amounted to (€ 2) million (30 June 2009: € 168 million).

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

As at 30 June 2010 the Group's contingent liabilities in terms of guarantees and standby letters of credit amounted to € 1,873 million (31 December 2009: € 1,955 million) and the Group's documentary credits amounted to € 133 million (31 December 2009: € 127 million).

The Group's capital commitments in terms of property, plant and equipment amounted to € 12 million (31 December 2009: € 10 million).

**17. Post balance sheet events**

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

Note 10 - Shares in subsidiary undertakings

Note 19 - Greek Economy Liquidity Support Program

**18. Stress test for the European Banks**

The uncertainties created by the sovereign debt issues in most EU countries raised significant concerns regarding the stability of the European banking system. To address this, the Committee of European Banking Supervisors (CEBS) in co-operation with European Central Bank and European Union authorities carried out stress tests of the systemically important banks in the European Union simulating a scenario of extreme macroeconomic deterioration over the next two years.

Eurobank EFG, as well as the majority of the banks tested, registered comfortable capital levels even under the extreme and highly improbable scenario, with Tier 1 at the end of 2011 at 8.17%, significantly higher than the minimum required for the purpose of the stress test of 6%.

**19. Greek Economy Liquidity Support Program**

The Bank participates in all three streams of the Greek Government's plan to support liquidity in the Greek economy under Law 3723/2008, as extended by Law 3844/April 2010 and Law 3845/May 2010, as follows:

- 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 (see note 14).
- Second stream - bonds guaranteed by the Hellenic Republic  
As at 30 June 2010, the Bank had issued bonds of € 7,770 million, which have been retained by the Group's subsidiaries (see note 12).  
According to an amendment of Law 3723/2008, submitted to the Greek Parliament on 9 August 2010, the total amount of bonds guaranteed by the Hellenic Republic that Greek banks may issue, was increased by € 25 bn. This amount has not yet been allocated to individual banks.
- 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 30 June 2010, the Bank had borrowed special Greek Government bonds of € 1,737 million.

**19. Greek Economy Liquidity Support Program (continued)**

According to the above law, 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 dividend distributions and restrict management remuneration.

In addition, according to Law 3756/2009, as extended by article 39 of Law 3844/2010, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 and 2009 and are not allowed to acquire treasury shares under Article 16 of Company Law.

**20. 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 30 June 2010, the EFG Group held 44.8% 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:

	30 June 2010			31 December 2009		
	EFG Group	Key management personnel	Other	EFG Group	Key management personnel	Other
	€ million	€ million	€ million	€ million	€ million	€ million
Loans and advances to banks	0	-	3	0	-	-
Financial instruments at fair value through profit or loss	0	-	-	2	-	-
Investment securities	82	-	9	83	-	19
Loans and advances to customers	53	19	208	32	20	225
Other assets	0	0	1	0	-	6
Due to other banks	57	-	-	51	-	-
Due to customers	19	71	251	19	72	239
Derivative financial instruments liabilities	0	-	-	-	-	-
Other liabilities	2	1	0	3	1	1
Guarantees issued	271	1	1	271	1	1
Guarantees received	271	0	53	271	74	-
	six months ended 30 June 2010			six months ended 30 June 2009		
Net Interest income	1	(1)	(0)	1	(1)	2
Net banking fee and commission income	(2)	0	1	(0)	-	1
Other operating income	(0)	0	(2)	-	-	(0)

**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 (31 December 2009: Nil).

Based on agreements the Group provides portfolio management, custodian and share registry services to DIAS S.A., an associated undertaking.

Key management personnel are entitled to compensation in the form of short-term employee benefits € 3.7 million (30 June 2009: € 3.4 million), and long-term employee benefits € 1.3 million out of which € 1.1 million are share-based payments (30 June 2009: € 1.5 million and € 1.3 million respectively).

**21. Dividends**

Final dividends are not accounted for until they have been ratified by the Annual General Meeting. In June 2010, the Annual General Meeting approved the distribution of dividend amounted to € 59 million attributable to preference shares for 2009 (see note 14).

According to Law 3756/2009, as extended by article 39 of Law 3844/2010, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 and 2009.

Athens, 27 August 2010

**Efthymios N. Christodoulou**  
I.D. No AB - 049358  
CHAIRMAN OF THE BOARD OF DIRECTORS

**Nicholas C. Nanopoulos**  
I.D. No AE - 586794  
CHIEF EXECUTIVE OFFICER

**Paula N. Hadjisotiriou**  
I.D. No T - 005040  
CHIEF FINANCIAL OFFICER

**Harris V. Kokologiannis**  
I.D. No AH - 609305  
HEAD OF GROUP FINANCE & CONTROL

**V. *Financial Data and Information for the period from 1 January to 30 June 2010***

The information listed below aims to provide a general overview about the financial position and the financial results of EFG Eurobank Ergasias S.A. and its Group. Consequently, readers are strongly advised to visit the website of the Bank, where the Interim Financial Statements prepared under International Financial Reporting Standards (IFRS) are available, before any investment decision or transaction with the Bank is entered to.

#### COMPANY'S DATA

Company's website:

[www.eurobank.gr](http://www.eurobank.gr)

Date of approval of the interim financial statements by BoD:

27 August 2010

Certified Public Accountant - Auditor:

Marios Psaltis

Audit Firm:

PricewaterhouseCoopers S.A.

Auditors' report:

Unqualified opinion

Issue Date of Auditor's report:

30 August 2010

#### INCOME STATEMENT

Amounts in Euro million

Bank				Group			
1 Jan- 30 Jun 2010	1 Jan- 30 Jun 2009	1 Apr- 30 Jun 2010	1 Apr- 30 Jun 2009	1 Jan- 30 Jun 2010	1 Jan- 30 Jun 2009	1 Apr- 30 Jun 2010	1 Apr- 30 Jun 2009
704	583	337	309	1,153	1,134	561	590
121	91	61	47	215	197	106	102
-	-	-	-	21	22	10	11
2	2	1	1	17	15	8	8
36	17	22	4	4	6	3	6
11	(29)	-	(39)	20	53	(4)	9
52	38	39	35	70	25	55	8
1	10	1	10	2	24	(2)	17
927	712	461	367	1,502	1,476	737	751
(423)	(436)	(206)	(220)	(702)	(725)	(348)	(363)
504	276	255	147	800	751	389	388
(540)	(366)	(279)	(189)	(682)	(550)	(346)	(287)
-	-	-	-	(2)	2	(3)	2
(36)	(90)	(24)	(42)	116	203	40	103
(2)	17	8	4	(59)	(29)	(4)	(14)
(38)	(73)	(16)	(38)	57	174	36	89
-	-	-	-	7	5	2	1
(38)	(73)	(16)	(38)	50	169	34	88
(14)	(73)	(16)	(38)	95	169	34	88
(0.2098)	0.1379	(0.1004)	(0.0555)	(0.0462)	0.6104	(0.0069)	0.1914
(0.1647)	0.1379	(0.0998)	(0.0555)	0.0367	0.6104	(0.0077)	0.1914

#### STATEMENT OF COMPREHENSIVE INCOME

Amounts in Euro million

Bank				Group			
1 Jan- 30 Jun 2010	1 Jan- 30 Jun 2009	1 Apr- 30 Jun 2010	1 Apr- 30 Jun 2009	1 Jan- 30 Jun 2010	1 Jan- 30 Jun 2009	1 Apr- 30 Jun 2010	1 Apr- 30 Jun 2009
(38)	(73)	(16)	(38)	57	174	36	89
(310)	67	(237)	133	(264)	94	(124)	212
1	3	7	(2)	(6)	(30)	(14)	16
(347)	(3)	(246)	93	(213)	238	(102)	317
(347)	(3)	(246)	93	(219)	234	(103)	314
-	-	-	-	6	4	1	3

#### BALANCE SHEET

Amounts in Euro million

Bank		Group	
30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
<b>ASSETS</b>			
1,727	1,731	3,133	3,079
46,660	39,828	5,599	4,784
229	1,842	583	868
2,239	1,460	1,858	1,224
43,613	42,015	56,749	55,837
2,988	2,857	3,182	6,955
2,295	2,428	3,587	3,625
4,829	3,417	8,790	4,663
2,897	2,895	-	-
32	32	41	44
303	318	846	875
62	62	377	377
99	100	715	710
1,070	871	1,407	1,228
109,043	99,856	86,867	84,269
<b>LIABILITIES</b>			
13,474	13,398	1,725	2,258
24,390	17,206	24,471	17,188
3,598	2,151	3,602	2,274
41,717	45,807	43,511	46,808
20,430	15,299	5,726	7,667
372	509	1,819	1,760
103,981	94,370	80,854	77,955
<b>EQUITY</b>			
1,481	1,481	1,480	1,480
1,835	2,264	2,517	2,818
3,316	3,745	3,997	4,298
950	950	950	950
796	791	796	791
5,062	5,486	5,743	6,039
-	-	270	275
5,062	5,486	6,013	6,314
109,043	99,856	86,867	84,269

#### Notes:

- The Bank's annual consolidated financial statements are fully consolidated in the annual consolidated financial statements of European Financial Group EFG (Luxembourg) S.A., the operating parent company of the EFG Group. European Financial Group EFG (Luxembourg) S.A. does not prepare interim financial statements. As at 30 June 2010, European Financial Group EFG (Luxembourg) S.A. indirectly held 43.6% of the Bank's ordinary shares and voting rights, whilst the EFG Group held in total 44.8%.
- The fixed assets of the Bank and the Group are free of charges or encumbrances.
- The outcome of pending lawsuits is not expected to have a significant impact on the Bank's and the Group's financial statements.
- A list of the companies consolidated on 30 June 2010 is mentioned in notes 10 and 11 of the consolidated financial statements where information on the percentage of Group's holding, the country of incorporation, as well as, the consolidation method applied is reported.
  - The company that was fully consolidated for the first time on 30 June 2010 was IMO Property Investments Sofia E.A.D. which started its operations in the second quarter of 2010. Furthermore, the companies that were fully consolidated on 30 June 2010 but not included in the 30 June 2009 consolidation were the established company NEU Property Holdings S.A., as well as the acquired company Tavros Protayi Anaptyxi S.A., (b) On 30 June 2010 the following companies are not included in the consolidated financial statements: (i) EFG Internet Services S.A. and Activa Insurance S.A. which were merged by absorption by the Bank and EFG Eurolife General Insurance S.A. respectively, during the fourth quarter of 2009, (ii) Aristolux Investment Fund Management Company S.A. which was liquidated in March 2010 and (iii) Eurobank EFG Telesis Finance Investment Firm S.A. which was merged with Eurobank EFG Equities S.A. during May 2010.
  - a) The Bank has been audited by tax authorities up to 2008. b) Of the Group's bank subsidiaries: i) Eurobank EFG Bulgaria A.D., Eurobank EFG Cyprus Ltd and Eurobank EFG Private Bank Luxembourg S.A. have been audited by tax authorities up to 2007, ii) Eurobank EFG a.d. Beograd (Serbia) has been audited by tax authorities up to 2004, and iii) Bancpost S.A. (Romania) has been audited by tax authorities up to 2003. The remaining of the Group's subsidiaries and associates (notes 10 and 11 of the consolidated financial statements), which operate in countries where a statutory tax audit is explicitly stipulated by law, have open tax years from 0 to 8 years.
- The total number of employees as at 30 June 2010 was 9,938 (2009: 9,970) for the Bank and 22,930 (2009: 23,578) for the Group.
- The number of treasury shares held by subsidiaries and associated undertakings of the Bank as at 30 June 2010 was 3,964,673 at a cost of € 39.5m.
- The related party transactions of the Group are as follows: receivables € 356m., liabilities € 329m., guarantees issued € 272m., guarantees received € 324m., expenses € 9m. and revenues € 7m. The related party transactions of the Bank are as follows: receivables € 45,808m., liabilities € 41,084m., guarantees issued € 14,904m., guarantees received € 324m., expenses € 601m. and revenues € 593m. The transactions of the Group with the key management personnel are as follows: compensation € 5m., receivables € 19m., liabilities € 72m., guarantees issued € 0.8m., guarantees received € 0.2m., expenses € 0.8m. and revenues € 0.3m. The transactions of the Bank with the key management personnel are as follows: compensation € 4.6m., receivables € 11m., liabilities € 58m., guarantees issued € 0.9m., guarantees received € 0.2m., expenses € 0.5m. and revenues € 0.1m.
- Income tax expense includes the amount of € 45m. for the Group and € 24m. for the Bank, being a special one-off tax imposed by law 3845/2010. Further information is provided in notes 5 and 7 of the Bank's and the Group's Financial Statements respectively.
- The Annual General Meeting on 25 June 2010 approved the distribution of 10% preference dividend for 2009, amounting to € 59m., to the Hellenic Republic.

#### STATEMENT OF CHANGES IN EQUITY

Amounts in euro million

Bank		Group	
1 Jan- 30 Jun 2010	1 Jan- 30 Jun 2009	1 Jan- 30 Jun 2010	1 Jan- 30 Jun 2009
5,486	3,895	6,314	4,623
(38)	(73)	57	174
(309)	70	(270)	64
-	-	(11)	(10)
-	940	-	940
(78)	(83)	(78)	(83)
1	7	1	(30)
5,062	4,756	6,013	5,678

#### CASH FLOW STATEMENT

Amounts in euro million

Bank		Group	
1 Jan- 30 Jun 2010	1 Jan- 30 Jun 2009	1 Jan- 30 Jun 2010	1 Jan- 30 Jun 2009
(5,692)	7,245	1,696	4,404
(474)	977	(97)	(2,634)
5,049	3,344	(2,145)	(986)
(1,117)	11,566	(546)	784
(2)	(18)	6	(41)
(1,119)	11,548	(540)	743
26,312	23,849	4,182	5,180
25,193	35,397	3,642	5,923

Athens, 27 August 2010

Elthymios N. Christodoulou  
I.D. No AB - 049358  
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