IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S. (AS DEFINED BELOW) IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THESE PREFERRED SECURITIES IN THE UNITED STATES OR ANY OTHER JURISIDICTION WHERE IT IS UNLAWFUL TO DO SO. THE PREFERRED SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE ''SECURITIES ACT''), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE PREFERRED SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS (AS DEFINED BELOW). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the Prospectus or make an investment decision with respect to the Preferred Securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). By accepting the e-mail and accessing the Prospectus, you shall be deemed to have represented to us that you are not a U.S. person; the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of such Prospectus by electronic transmission.

You are reminded that access to the Prospectus has been made available to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

Under no circumstances shall the Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these Preferred Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Prospectus who intend to subscribe for or purchase any Preferred Securities are reminded that any subscription or purchase may only be made on the basis of the information contained in the Prospectus.

The Prospectus has been made available to you in an electronic form. You are reminded that documents made available or transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of ABN AMRO Bank N.V., BNP PARIBAS or Lehman Brothers International (Europe) (each a ''Joint Lead Manager'' and together, the ''Joint Lead Managers'') nor any person who controls a Joint Lead Manager nor any director, officer, employee nor agent of a Joint Lead Manager or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus made available to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

PROSPECTUS DATED 24th October, 2005

EFG Hellas Funding Limited

(incorporated with limited liability in Jersey)

Series C Fixed Rate Non-cumulative Guaranteed Non-voting Preferred Securities

having the benefit of a subordinated guarantee of

EFG Eurobank Ergasias S.A.

(incorporated with limited liability in the Hellenic Republic)

Issue price: €1,000 per Preferred Security

Unless expressly indicated otherwise, capitalised terms and expressions used herein have the same meaning as given to them in "Description of the Preferred Securities".

The Series C Fixed Rate Non-cumulative Guaranteed Non-voting Preferred Securities (the "Preferred Securities") each with a par value and a liquidation preference of €1,000 (the "Liquidation Preference") are proposed to be issued by EFG Hellas Funding Limited (the "Issuer") on the Closing Date (as specified in the Final Terms (as defined below)). All obligations of the Issuer to make payments in respect of the Preferred Securities will be guaranteed on a subordinated basis by EFG Eurobank Ergasias S.A. (the "Bank") pursuant to a subordinated guarantee to be dated the Closing Date (the "Guarantee"), all as more fully described herein under "Subordinated Guarantee".

The Preferred Securities will entitle Holders to receive (subject as described herein under "Description of the Preferred Securities") non-cumulative preferential cash dividends, payable quarterly in arrear on the Preferred Dividend Payment Dates specified in the Final Terms in each year at a rate per annum specified in the Final Terms, all as more fully described herein under "Description of the Preferred Securities".

The Preferred Securities are perpetual securities and have no fixed redemption date. However, the Preferred Securities may be redeemed, at the option of the Issuer, in whole but not in part, (1) on the Preferred Dividend Payment Date falling on the First Call Date specified in the Final Terms or on any Preferred Dividend Payment Date falling thereafter or (2) at any time (a) in the event of certain changes in tax law resulting in the Issuer or the Bank being required to pay Additional Amounts or (b) in the event of certain changes in tax laws, if the Issuer or the Bank, in relation to the Preferred Securities, the Guarantee and/or any associated transactions is or would be required to pay Jersey Tax (other than in respect of Jersey source income) or Greek Tax or (c) in the event of a Capital Disqualification Event, in any such case upon not less than 30 nor more than 60 days' notice. Any such redemption is subject to the consent of the Bank and the Bank of Greece and shall be at the Optional Redemption Price (as defined under "Description of the Preferred Securities").

In the event of a liquidation, dissolution or winding-up of the Issuer, Holders will be entitled to receive, for each Preferred Security, the Liquidation Preference plus accrued and unpaid Preferred Dividends for the then current applicable Preferred Dividend Period to the date of payment, as more fully described in "Description of the Preferred Securities".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority" and the "FSMA", respectively) for the Preferred Securities to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for the Preferred Securities to be admitted to trading on the London Stock Exchange's Gilt-Edged and Fixed Interest Market (the "Market"). References in this Prospectus to the Preferred Securities being "listed" (and all related references) shall mean that such Preferred Securities have been admitted to the Official List and have been admitted to trading on the Market. Applications will also be made to the Frankfurt Stock Exchange for the Preferred Securities to be admitted to trading on the Official Market (*Amtlicher Markt*) of the Frankfurt Stock Exchange (the "Frankfurt Stock Exchange") and to Euronext Amsterdam N.V. ("Euronext Amsterdam") for the Preferred Securities to be admitted to trading on Eurolist by Euronext Amsterdam. Each of the Market, the Frankfurt Stock Exchange and Euronext Amsterdam are regulated markets for the purposes of the Investment Services Directive (Directive 93/22/EC).

In making an investment decision, potential investors should have particular regard to the "Risk Factors" on pages 12 to 18 of this Prospectus. In particular, Preferred Dividends are not required to be paid on the Preferred Securities in certain circumstances, as more fully described under "Description of the Preferred Securities – Limitations on Payments of Preferred Dividends on Preferred Securities", including when all of the dividend paid on the Bank's ordinary shares is the minimum required by the mandatory operation of Greek law from time to time (see "Description of the Preferred Securities – Exceptions to Compulsory Payments").

This Prospectus has been approved by the UK Listing Authority as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive"). Certain information will be contained in a final terms document ("Final Terms"), see "Summary of the Offering – Final Terms" and "Form of Final Terms" for details of such information.

The Preferred Securities are expected to be rated by Moody's Investors Service ("Moody's"), Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("S&P") and Fitch Ratings Limited ("Fitch"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The rating of the Preferred Securities will be specified in the Final Terms.

The Preferred Securities will be represented on issue by a single global certificate in registered form (the "Global Certificate"). On the Closing Date, the Global Certificate will be registered in the name of, and deposited with, Clearstream Banking Aktiengesellschaft, Frankfurt am Main ("Clearstream Banking Frankfurt"). The Preferred Securities are also eligible for clearing and settlement through Euroclear Bank S.A./N.V. as operator of the Euroclear system ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on or around the Closing Date.

Joint Lead Managers

ABN AMRO **BNP PARIBAS** **Lehman Brothers**

Each of the Issuer and the Bank (together, the "Responsible Persons") accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the knowledge of each of the Issuer and the Bank, in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Prospectus in connection with the offering of the Preferred Securities and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Bank or the Managers (as defined under "Subscription and Sale" below). Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer, the Bank or the Bank and its Subsidiaries (as defined herein) as a whole (the "Group") since the date hereof. This Prospectus does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Bank or the Managers to subscribe for, or purchase, any of the Preferred Securities. This Prospectus does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful. This Prospectus may only be used for the purposes for which it has been published.

The Managers have not separately verified the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers or any of them as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Bank in connection with the Preferred Securities.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Bank or the Managers that any recipient of this Prospectus should purchase any of the Preferred Securities. Each investor contemplating purchasing Preferred Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Bank. No person is authorised to give information other than contained herein and in the documents referred to herein and which are made available for inspection by the public at the specified office of each Paying and Transfer Agent.

The Preferred Securities and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, the Preferred Securities may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Preferred Securities and on distribution of this Prospectus, see "Subscription and Sale" below.

A copy of this Prospectus has been delivered to the Registrar of Companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002 as amended and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958, as amended to the issue of the Preferred Securities by the Issuer. It must be distinctly understood that, in giving these consents, neither the Registrar of Companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions, expressed with regard to it. The Jersey Financial Services

Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against any liability arising from the discharge of its functions under that law.

An investment in the Preferred Securities is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

Prospective purchasers who are in any doubt about the contents of this Prospectus should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

Nothing in this Prospectus or anything communicated to Holders of, or investors in, the Preferred Securities (or any such potential Holders or investors) by the Issuer is intended to constitute or should be construed as advice on the merits of the purchase of or subscription for the Preferred Securities or the exercise of any rights attached thereto for the purposes of the Financial Services (Jersey) Law 1998, as amended.

Certain figures in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals, in certain tables may not be an arithmetic aggregation of the figures which precede them.

EACH OF ABN AMRO BANK N.V., BNP PARIBAS AND LEHMAN BROTHERS INTERNATIONAL (EUROPE) (OR PERSONS ACTING ON THEIR BEHALF) MAY OVER-ALLOT PREFERRED SECURITIES (PROVIDED THAT THE AGGREGATE PRINCIPAL AMOUNT OF PREFERRED SECURITIES ALLOTTED DOES NOT EXCEED 105 PER CENT. OF THE AGGREGATE PRINCIPAL AMOUNT OF THE PREFERRED SECURITIES) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE PREFERRED SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT ANY OF ABN AMRO BANK N.V., BNP PARIBAS OR LEHMAN BROTHERS INTERNATIONAL (EUROPE) (OR PERSONS ACTING ON THEIR BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE PREFERRED SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE PREFERRED SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE PREFERRED SECURITIES.

All references in this Prospectus to “Euro”, “EUR” “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25th March, 1957), as amended, and all references to “Sterling” and “£” refer to the currency of the United Kingdom.

TABLE OF CONTENTS

SUMMARY OF THE OFFERING

This Summary must be read as an introduction to this Prospectus and any decision to invest in the Preferred Securities should be based on a consideration of this Prospectus as a whole. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the claimant investor may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them under "Description of the Preferred Securities" and references herein to a "paragraph" shall be to the corresponding paragraph in "Description of the Preferred Securities". Prospective investors should also consider carefully, amongst other things, the factors set out under "Risk Factors" below.

Issuer: EFG Hellas Funding Limited, a wholly-owned subsidiary of the Bank, incorporated in Jersey.

The Issuer is a general finance vehicle of the EFG Group.

Guarantor: EFG Eurobank Ergasias S.A. (the "Bank"), a public company limited by shares incorporated under the laws of the Hellenic Republic.

The Bank operates in the retail banking, small and medium-sized enterprises, investment banking, capital markets, private banking and asset management sectors, providing a wide range of banking and financial services to its individual and corporate clients. The Bank is also active in the wider financial services sector, with a presence in insurance, real estate and payroll services.

Issue Details: Series C Fixed Rate Non-cumulative Guaranteed Non-voting Preferred Securities each with a par value and a liquidation preference of €1,000 (the "Securities"). The Securities are perpetual.

Preferred Dividends: For each Preferred Dividend Period, Preferred Dividends on the Securities will be declared by the Directors and paid by the Issuer subject to certain limitations (see "Limitations on Payments" below).

In respect of each Preferred Dividend Period, the Securities will accrue Preferred Dividends at a rate per annum specified in the Final Terms which Preferred Dividends will be payable quarterly in arrear, subject as provided below, on the Preferred Dividend Payment Dates specified in the Final Terms in each year.

Guarantee: The Bank will guarantee payments on the Securities in respect of (a) any declared but unpaid Preferred Dividends for the most recent Preferred Dividend Period, (b) any compulsory Preferred Dividends described in "Compulsory Payments" below, (c) the Optional Redemption Price payable with respect to any Preferred Security to be redeemed, (d) payments on liquidation of the Issuer and (e) any Additional Amounts.

The Bank's obligations under the Guarantee will be subordinated so that they rank junior to the claims of Senior Creditors (as defined in the Guarantee), *pari passu* with the Parity Obligations, if any, of the Bank, and senior to all Junior Obligations of the Bank.

Limitations on Payments:

Subject to the Law and to the provisions relating to compulsory payments below (see "Compulsory Payments"), Preferred Dividends may be declared by the Directors of the Issuer, in their sole discretion, and paid by the Issuer out of funds legally available therefor.

However, subject to the provisions relating to compulsory payments below (see "Compulsory Payments"), the Directors of the Issuer will not declare, and the Issuer will not be permitted to pay, any Preferred Dividend on the Securities if:

(a) such Preferred Dividend, together with the amount of:

  (i) any Preferred Dividends previously paid in respect of the Securities and distributions previously paid in respect of Preferred Dividend Parity Obligations in the then current financial year; and

  (ii) any Preferred Dividends proposed or scheduled to be paid in respect of the Securities and distributions proposed or scheduled to be paid in respect of any Preferred Dividend Parity Obligations in the then current financial year,

  would exceed Distributable Funds; or

(b) sufficient Distributable Funds are available, but the Issuer has been notified that a resolution of the directors of the Bank has been passed that states that in the opinion of the directors of the Bank payment of such Preferred Dividends would cause the Bank to breach Greek banking regulations affecting banks which fail to meet their capital adequacy ratios on a consolidated basis, as applicable and in force at the relevant time.

For the avoidance of doubt, the Directors of the Issuer will only be required to declare, and the Issuer will only be required to pay, a Preferred Dividend in the circumstances set out in "Compulsory Payments" below.

Preferred Dividends non-cumulative:

If the Directors of the Issuer do not declare a Preferred Dividend payable on a Preferred Dividend Payment Date either by virtue of the limitations set out above (see "Limitations on Payments") or otherwise, then subject to the provisions relating to compulsory payments and redemption below (see "Compulsory Payments", "Optional Redemption", "Capital Disqualification Redemption" and "Redemption for

Tax Reasons" below) and without affecting the rights of the Holders under the Guarantee, the entitlement of the Holders to such Preferred Dividend will be lost. Accordingly no payment will need to be made at any time by the Issuer or the Bank in respect of any such missed payment.

Compulsory Payments:

Payment on Junior Obligations

If the Bank, the Issuer or any other Subsidiary pays any distribution(s) on or in respect of any class of Junior Obligations then, subject to the Law and the provisions of "Exceptions to Compulsory Payments" below, the Issuer will be required to declare and pay Preferred Dividends on the Securities as follows:

(a) payment of the full amount of the Preferred Dividend payable on the next four Preferred Dividend Payment Dates if the distribution(s) on the Junior Obligations is made in respect of an annual period;

(b) payment of the full amount of the Preferred Dividend payable on the next two Preferred Dividend Payment Dates if the distribution(s) on the Junior Obligations is made in respect of a semi-annual period; and

(c) payment of the full amount of the Preferred Dividend payable on the next Preferred Dividend Payment Date if the distribution on the Junior Obligations is made in respect of a quarterly period.

Redemption of Junior Obligations

Subject to the Law, the Issuer will be required to declare and make payment of the full amount of Preferred Dividends payable on the next four Preferred Dividend Payment Dates contemporaneous with, or following, any date on which the Bank or any Subsidiary has redeemed, repurchased or otherwise acquired any Junior Obligations for any consideration (or any moneys are paid to or made available for a sinking fund for, or for redemption of, any such securities), except by conversion into or in exchange for other Junior Obligations unless (a) such acquisition is effected in accordance with the provisions of Article 16 paragraphs 2(b) to (f) or paragraph 5 et seq. of Greek Codified Law 2190/1920 and (b) following such acquisition and any other measure taken by the Bank:

(i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains above 8 per cent.; and

(ii) the ratio of "upper tier 1 capital" items of own funds (namely tier 1 capital excluding the Securities and similar instruments) to risk weighted assets of the Bank remains above 5 per cent. as required by Circular 21/2004 of the Bank of Greece, as in force and amended or supplemented from time to time.

Payment on Preferred Dividend Parity Obligations

If the Bank, the Issuer or any other Subsidiary pays any distribution(s) on or in respect of any class of Preferred Dividend Parity Obligations then, subject to the Law and to the provisions of "Exceptions to Compulsory Payments" below, the Issuer will be required to declare and pay Preferred Dividends on the Securities as described under "Payment on Junior Obligations" above except that such payments will be made on a *pro rata* basis.

When a distribution on Preferred Dividend Parity Obligations requires *pro rata* payment of Preferred Dividends as described above, the amount of the required payment will be in the same proportion to the aggregate specified amount of Preferred Dividends payable on the Securities as the aggregate payment that was made on such Preferred Dividend Parity Obligations bears to the amount that was payable on such Preferred Dividend Parity Obligations at the time of such payment.

Aggregation of Preferred Dividends in Preferred Dividend Period

Subject to the Law, compulsory payments of Preferred Dividends to be made by virtue of paragraph 4(a), 4(b) or 4(c) shall be aggregated on any Preferred Dividend Payment Date with any discretionary payments made or to be made following a declaration as described in paragraph 3 in respect of any relevant Preferred Dividend Period, provided that in any relevant Preferred Dividend Period the aggregate amount paid in respect of Preferred Dividends on the Securities shall not exceed the scheduled amount of the Preferred Dividends.

Exceptions to Compulsory Payments

Notwithstanding "Compulsory Payments" above, a payment of Preferred Dividends will not be compulsory if the Bank, the Issuer or any other Subsidiary:

(1) pays a dividend or other distribution on any ordinary shares of the Bank (i) which dividend or other distribution is solely in the form of Junior Obligations or (ii) the whole of which dividend or other distribution is mandatorily required to be paid by mandatory operation of Greek law from time to time; or

(2) pays a dividend or other distribution on the €200,000,000 Series A CMS-Linked Non-Cumulative Guaranteed Non-Voting Preferred Securities issued in March 2005, which payment is triggered by payment on any ordinary shares of the Bank and the whole of which payment on such ordinary shares is mandatorily required by mandatory operation of Greek law from time to time.

Withholding Tax and Additional Amounts:	The Securities will contain a gross up provision in respect of any imposition of Jersey or Greek withholding taxes. The Guarantee will contain a gross up provision in respect of any imposition of Greek withholding taxes. Each gross up provision will be subject to customary exceptions. Under the gross up provisions, subject to customary exceptions, the Issuer, or the Bank pursuant to the Guarantee, will pay to each Holder such additional amounts ("Additional Amounts") as may be necessary in order that every net payment in respect of the Securities, after withholding for any taxes imposed by Jersey or Greece, as the case may be, upon or as a result of such payment, will not be less than the amount otherwise required to be paid. The obligations of the Issuer and the Bank to pay any such Additional Amounts will be subject to limitations described in "Limitation on Payments" above.
Optional Redemption:	Subject to the Law, the Securities are redeemable, at the option of the Issuer, in whole but not in part, on the First Call Date and on any Preferred Dividend Payment Date falling thereafter at the Optional Redemption Price.
Capital Disqualification Redemption:	Subject to the Law, if, at any time a Capital Disqualification Event has occurred and is continuing, the Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at the Optional Redemption Price.
Redemption for Tax Reasons:	Subject to the Law, if, at any time, as a result of a change in the laws or regulations of Jersey or Greece, the Issuer or the Bank is or would be required to pay Additional Amounts in respect of payments due on the Securities or under the Guarantee, the Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at the Optional Redemption Price. Subject to the Law, if, at any time, as a result of a change in the laws or regulations of Jersey or Greece, the Issuer or the Bank, in relation to the Securities, the Guarantee and/or any associated transactions (including, but not limited to, any loan or deposit from the Issuer to the Bank, any loan or deposit from a Subsidiary to the Bank or any loan or deposit from the Issuer to any other Subsidiary), is or would be required to pay (a) Jersey Tax (other than in respect of Jersey source income) or (b) Greek Tax, then the Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at the Optional Redemption Price.
Redemption subject to consent:	Any redemption under "Optional Redemption", "Capital Disqualification Redemption" or "Redemption for Tax Reasons" above will be subject to the prior consent of the Bank and the Bank of Greece. Any such redemption shall occur upon not less than 30 or more than 60 days' notice to the Holders.

Rights upon Liquidation:

In the event of any bankruptcy, winding-up, liquidation or dissolution of the Issuer, Holders will be entitled to receive the Liquidation Distribution per Security held out of assets of the Issuer available for distribution to shareholders.

Notwithstanding the availability of sufficient assets of the Issuer to pay any Liquidation Distribution, if at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution per Security paid to Holders and the liquidation distribution paid to the holders of Liquidation Parity Obligations shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank had the Securities and Liquidation Parity Obligations been issued by the Bank and ranked (i) junior to all Senior Creditors (as defined in the Guarantee), (ii) *pari passu* with the Parity Obligations, if any, of the Bank, and (iii) senior to all Junior Obligations of the Bank.

In the event of liquidation, dissolution or winding-up of the Bank, the Directors of the Issuer shall convene an extraordinary general meeting of the Issuer for the purpose of proposing a Special Resolution to put the Issuer in winding-up and the amount to which Holders shall be entitled as a Liquidation Distribution will be as described above.

The Bank will undertake in the Guarantee that, so long as any of the Securities is outstanding, it will not permit, or take any action to cause, the liquidation, dissolution or winding-up of the Issuer unless the Bank of Greece has given its prior approval, or the Bank itself is in liquidation.

Voting Rights:

Generally, Holders will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of the Issuer.

Holders (together with the holders of any other preferred securities or preference shares of the Issuer having the right to vote for the election of Directors in such event) are entitled to elect two additional Directors to the Issuer's Board of Directors if, in respect of four Preferred Dividend Periods, Preferred Dividends (whether or not declared) on the Securities or any Additional Amounts in respect thereof have not been paid in full, or if the Bank breaches its payment obligations under the Guarantee.

Subject to the terms of such other preferred securities or preference shares, if, in respect of four Preferred Dividend Periods, Preferred Dividends and any Additional Amounts have been paid in full, any Director(s) so appointed shall vacate the office.

Governing Law:

The Securities will be governed by, and construed in accordance with, Jersey law.

The Guarantee will be governed by, and construed in accordance with, English law, save that the provisions concerning the ranking of the Guarantee and the rights upon liquidation will be governed by, and construed in accordance with, Greek law.

Listing: The Market of the London Stock Exchange; the Frankfurt Stock Exchange; and Euronext Amsterdam.

Risk Factors: The purchase of the Securities involves substantial risks. These include the exposure of the Bank to credit risk, market risk, operational risk and liquidity risk. Failure to control these risks could result in material adverse effects on the Bank's financial performance and reputation. In addition, the terms of the Securities contain significant risks. These include the provision that Preferred Dividends will not be paid unless the Directors of the Issuer declare, in their sole discretion, that they are payable (subject to the provisions relating to compulsory payments).

Final Terms: The following information *inter alia* will be specified in the Final Terms:

- Preferred Dividend Payment Dates;
- Dividend Rate;
- Closing Date;
- First Call Date;
- Aggregate Nominal Amount;
- Net Proceeds;
- Ratings;
- Managers; and
- ISIN/Common Code.

RISK FACTORS

Prospective investors should consider carefully the following information in conjunction with the other information contained in this Prospectus before investing in the Preferred Securities.

The Issuer and the Bank believe that the following factors may affect their ability to fulfil their obligations under the Preferred Securities and the Guarantee, respectively. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Bank is in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Bank believe may be material for the purpose of assessing the market risks associated with the Preferred Securities are also described below.

The Issuer and the Bank believe that the factors described below represent the principal risks inherent in investing in the Preferred Securities, but the Issuer or the Bank may be unable to pay Preferred Dividends (as defined under "Description of the Preferred Securities") on the Preferred Securities for other reasons and none of the Issuer and the Bank represents that the statements below regarding the risks of holding any Preferred Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision as these risk factors cannot be deemed complete.

The purchase of Preferred Securities involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Preferred Securities. Before making an investment decision, prospective purchasers of Preferred Securities should ensure that they understand the nature of the Preferred Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth herein.

Investment in the Preferred Securities is only suitable for investors who:

(1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained herein and the merits and risks of an investment in the Preferred Securities in the context of such investors' financial position and circumstances;

(2) are capable of bearing the economic risk of an investment in the Preferred Securities for an indefinite period of time; and

(3) recognise that it may not be possible to make any transfer of the Preferred Securities for a substantial period of time, if at all.

Further, each prospective purchaser of the Preferred Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Preferred Securities (i) is fully consistent with its (or if it is acquiring the Preferred Securities in a fiduciary capacity, the beneficiary's/ beneficiaries') financial needs, objectives and condition; (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Preferred Securities as principal or in a fiduciary capacity); and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Preferred Securities in a fiduciary capacity, for the beneficiary/beneficiaries), notwithstanding the clear and substantial risks inherent in investing in or holding the Preferred Securities.

Factors that may affect the Issuer's ability to fulfil its obligations under the Preferred Securities

The Issuer is a Finance Vehicle

An investment in the Preferred Securities will have substantially the same economic risks as an investment in non-cumulative perpetual preference shares issued directly by the Bank having the same liquidation preference and rate of distribution as the Preferred Securities. The Issuer is a finance vehicle which does not have any trading assets and does not generate trading income. The Preferred Securities are guaranteed on a limited and subordinated basis by the Bank pursuant to the terms of the Guarantee. Accordingly, if the Bank's financial condition were to deteriorate, the Issuer and the Holders may suffer direct and materially adverse consequences, including non-payment of Preferred Dividends on the Preferred Securities or of payments under the Guarantee.

Factors that may affect the Bank's ability to fulfil its obligations under the Guarantee

Economic Activity in Greece

The Bank's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, employment trends, the state of the economy and market interest rates at the time. As the Bank currently conducts the majority of its business in Greece, its performance is influenced by the level and cyclical nature of business activity in Greece, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a weakening in the Greek economy will not have a material effect on the Bank's future results.

Risks Related to the Bank's Business

As a result of its business activities, the Bank is exposed to a variety of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk. Failure to control these risks could result in material adverse effects on the Bank's financial performance and reputation.

Credit Risk

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Bank's businesses. Adverse changes in the credit quality of the Bank's borrowers and counterparties or a general deterioration in the Greek, US or global economic conditions, or arising from systematic risks in the financial systems, could affect the recoverability and value of its assets and require an increase in the Bank's provision for bad and doubtful debts and other provisions.

Market Risk

The most significant market risks the Bank faces are interest rate, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect income from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Bank's investment and trading portfolios. The Bank has implemented risk management methods to mitigate and control these and other market risks to which the Bank is exposed and exposures are constantly measured and monitored. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Bank's financial performance and business operations.

Operational Risk

The Bank's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of external systems, for example, those of the Bank's suppliers or counterparties. Although the Bank has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in controlling each of the operational risks.

Liquidity Risk

The inability of a bank, including the Bank, to anticipate and provide for unforeseen decreases or changes in funding sources could have an adverse effect on such bank's ability to meet its obligations when they fall due.

Impact of Regulatory Changes

The Bank is subject to financial services laws, regulations, administrative actions and policies in each location that the Bank operates. Changes in supervision and regulation, in particular in Greece, could materially affect the Bank's business, the products and services offered or the value of its assets. Although the Bank works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Bank.

International Financial Reporting Standards

The Bank has adopted IFRS for reporting periods beginning 1st January, 2005 and thereafter. These standards are, in a number of ways, different from existing generally accepted accounting principles in Greece and their implementation may have a significant effect on the presentation of the Bank's financial statements.

The independent auditor's reports relating to the Bank's financial statements for the years ended 31st December, 2003 and 31st December, 2004 were qualified since in certain cases the Bank applied IFRS and diverged from the requirements of Greek Company Law 2190/1920. An explanation of the nature of the qualifications is given in the audit report relating to each respective financial period as set out on pages F-1 to F-22.

Factors which are material for the purpose of assessing the market risks associated with the Preferred Securities

Preferred Dividends not cumulative; certain dividends to ordinary shareholders are mandatory

Preferred Dividends on the Preferred Securities are not cumulative. Subject to the provisions relating to compulsory payments as set out in "Description of the Preferred Securities", Preferred Dividends on the Preferred Securities will not be paid on each Preferred Dividend Payment Date unless the Directors of the Issuer declare, in their sole discretion, that they are payable. If the Bank has insufficient Distributable Funds the Issuer will not make such a declaration and no Preferred Dividends will be payable or paid. Subject as provided above, if Preferred Dividends on the Preferred Securities for any Preferred Dividend Period are not declared or paid, Holders will not be entitled to receive any such Preferred Dividends (or any payment under the Guarantee in respect of any Preferred Dividends) whether or not sufficient funds are, or subsequently become, available.

If the Bank, the Issuer or any Subsidiary (as defined under "Description of the Preferred Securities") pays any distribution(s) on or in respect of any class of Junior Obligations (as defined under "Description of the Preferred Securities") then, subject to Jersey law and to the provisions of paragraph 4(e) of "Description of the Preferred Securities", the Issuer will be required to declare and pay Preferred Dividends on the Preferred Securities in accordance with paragraph 4(a) of

"Description of the Preferred Securities". However, a payment of Preferred Dividends will not be compulsory if the Bank, the Issuer or any other Subsidiary:

(1) pays a dividend or other distribution on any ordinary shares of the Bank (i) which dividend or other distribution is solely in the form of Junior Obligations (as defined under "Description of the Preferred Securities") or (ii) the whole of which dividend or other distribution is mandatorily required to be paid by mandatory operation of Greek law from time to time; or

(2) pays a dividend or other distribution on the €200,000,000 Series A CMS-Linked Non-Cumulative Guaranteed Non-Voting Preferred Securities issued in March 2005, which payment is triggered by payment on any ordinary shares of the Bank and the whole of which payment on such ordinary shares is mandatorily required by mandatory operation of Greek law from time to time.

Greek company law requires dividends to be paid to ordinary shareholders as follows:

The Bank pays dividends out of:

(i) distributable profits for the year (i.e. profits net of: (a) tax, (b) losses carried forward, and (c) prior years tax audit differences); and

(ii) retained earnings, special reserves or ordinary reserves to the extent they exceed the amount required to be maintained by law.

Before paying dividends, the Bank must allocate between 5 per cent. and 20 per cent. of its net profits to an ordinary reserve until this reserve equals at least one-half of the Bank's share capital. According to the Bank's Articles of Association and Greek corporate law, and subject to the limitations described below, each year the Bank is required to pay a minimum dividend out of the net profits for the year, if any, equal to the greater of:

(a) 6 per cent. of the Bank's share capital; or

(b) 35 per cent. of the net profits for the year (after the deduction of statutory reserves and any profits resulting from the sale of equity participations that represent at least 20 per cent. of the paid-up share capital of a subsidiary company in which the Bank has held an equity participation for at least ten years).

Calculation of all such amounts is currently based on the financial statements of the Bank prepared in accordance with Greek corporate law.

Any distribution of the remainder of the distributable profits must be approved by a "General Meeting of the Shareholders" (the "General Meeting"), with ordinary quorum and majority voting requirements, following a proposal of the Bank's board of directors (the "Board of Directors" or the "Board").

No distribution whatsoever (including dividends) can be effected if, on the closing date of the last financial year, the total shareholders' equity (comprising paid-up share capital, reserves and profits/losses from previous years) is, or will become after that distribution, lower than the aggregate of the paid-up share capital and non-distributable reserves, the distribution of which is prohibited by Greek law or the Bank's Articles of Association. In any event, dividends may not exceed net profits of the last financial year, as increased by distributable reserves, the distribution of which is permitted as resolved at the General Meeting, and profits carried forward from previous years, and as decreased by any loss in the previous financial year and any compulsory reserves required by law or the Bank's Articles of Association.

In the event that the obligatory dividend payments equal 35 per cent. of the net profits for the year (after the deduction of statutory reserves and any profits resulting from the sale of equity participations that represent at least 20 per cent. of the paid-up share capital of a subsidiary company in which the Bank has held an equity participation for at least ten years), the Bank's shareholders have two options. According to Greek Emergency Law 148/1967, as amended by Greek Law 2753/1999, a majority representing at least 65 per cent. of the paid-up share capital may vote to waive this dividend payment at a General Meeting. Undistributed dividends must then be transferred under a special reserve and must be capitalised within four years following the General Meeting. Furthermore, a majority representing 70 per cent. of the Bank's paid-up capital may vote to distribute the lower amount, i.e., 6 per cent. of the Bank's share capital.

Once approved, dividends must be paid to shareholders within two months of the date on which the Bank's annual financial statements are approved. Normally, dividends are declared and paid in the year subsequent to the reporting period. Dividends are forfeited to the Hellenic Republic if they are not claimed by shareholders within five years following 31st December of the year in which they were declared.

Perpetual Nature of the Preferred Securities

The Preferred Securities have no fixed final redemption date and Holders have no rights to require the redemption of the Preferred Securities. Although the Issuer may elect to redeem the Preferred Securities in whole, but not in part, in certain circumstances including at its option on the First Call Date or any Preferred Dividend Payment Date thereafter or following the occurrence of certain tax events or a Capital Disqualification Event (as set out in "Description of the Preferred Securities")), such election is discretionary and subject to certain limitations. An optional redemption feature is likely to limit the market value of the Preferred Securities. After the First Call Date, the market value of the Preferred Securities will not rise substantially above the price at which they can be redeemed. This may also be true prior to the First Call Date.

The Issuer may be expected to redeem the Preferred Securities when its cost of borrowing is lower than the rate of cash dividends payable on the Preferred Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective rate as high as the rate on the Preferred Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Any early redemption by the Issuer is subject to the prior consent of the Bank and the Bank of Greece. It is currently expected that such consent of the Bank of Greece will be given only in cases where, after such redemption of the Preferred Securities by the Issuer, (i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains after such redemption above 8 per cent. and (ii) the ratio of "upper tier 1 capital" items of own funds (namely tier 1 capital excluding the Preferred Securities and similar instruments) to risk weighted assets of the Bank, remains above 5 per cent. as required by Circular 21/2004 of the Bank of Greece.

The Issuer's obligations under the Preferred Securities and the Bank's obligations under the Guarantee are subordinated

In the event of any bankruptcy, winding-up, liquidation or dissolution of the Issuer, Holders will be entitled to receive the Liquidation Distribution (as defined under "Description of the Preferred Securities") per Preferred Security held out of assets of the Issuer available for distribution to shareholders. Notwithstanding the availability of sufficient assets of the Issuer to pay any Liquidation Distribution, if at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution per Preferred Security paid to Holders and the liquidation distribution paid to the holders of Liquidation Parity Obligations (as defined under "Description of the Preferred Securities") shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with Greek law of all creditors of the Bank, including holders of its subordinated debt but excluding holders of any liability ranking *pari passu* with or junior to the Bank's obligations under the Guarantee) had the Preferred Securities and all such Liquidation Parity Obligations been issued by the Bank and ranked (i) junior to all liabilities of the Bank (other than any liability ranking *pari passu* with or junior to the Bank's obligations under the Guarantee) ("Senior Creditors"), (ii) *pari passu* with the Parity Obligations (as defined under "Description of the Preferred Securities"), if any, of the Bank, and (iii) senior to all Junior Obligations of the Bank.

Voting Rights

Except as provided under "Voting Rights" under "Description of the Preferred Securities", holders will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of the Issuer.

No Limitation on Future Debt

The Bank is not prohibited from issuing, guaranteeing or otherwise incurring further debt ranking *pari passu* with, or senior to, its obligations under the Guarantee.

Risks related to the Preferred Securities generally

Modification and waivers

The terms of the Preferred Securities contain provisions for calling meetings of Holders of Preferred Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders of the Preferred Securities including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If, following implementation of this Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Preferred Security as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The Preferred Securities are based on Jersey law in effect as at the date of issue of the Preferred Securities. The Guarantee is based on English law (save that paragraphs 3 and 9(b) shall be governed by, and construed in accordance with, Greek law) in effect as at the date of issue of the Preferred Securities. In addition, the provisions of the paragraph entitled "Exceptions to Compulsory Payments" under "Description of the Preferred Securities" are subject to mandatory operation of Greek law from time to time. No assurance can be given as to the impact of any possible judicial decision or change to Jersey, law, English law or Greek law or administrative practice after the date of issue of the Preferred Securities.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Absence of Prior Public Markets

The Preferred Securities constitute a new issue of securities by the Issuer. Prior to this issue, there will have been no public market for the Preferred Securities. Although application has been or will be made for the Preferred Securities to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Gilt-Edged and Fixed Interest Market, there can be no assurance that an active public market for the Preferred Securities will develop and, if such a market were to develop, the Managers are under no obligation to maintain such a market. The liquidity and the market prices for the Preferred Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Bank and other factors that generally influence the market prices of securities.

Exchange rate risks and exchange controls

The Issuer will pay the Preferred Dividends on the Preferred Securities and the Bank will make any payments under the Guarantee in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Preferred Securities and (ii) the Investor's Currency-equivalent market value of the Preferred Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less of a return on the Preferred Securities than expected.

Interest rate risks

The Preferred Securities will accrue Preferred Dividends at a fixed rate. Investment in fixed rate instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments.

Credit ratings may not reflect all risks

The Preferred Securities are expected to be rated by Moody's, S&P and Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Preferred Securities. The ratings of the Preferred Securities will be specified in the Final Terms.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Preferred Securities are legal investments for it, (ii) the Preferred Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Preferred Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Preferred Securities under any applicable risk-based capital or similar rules.

DESCRIPTION OF THE PREFERRED SECURITIES

The following summary sets forth the material terms and provisions of the Preferred Securities. It is qualified in its entirety by reference to the terms and conditions of the Issuer's Articles of Association. Copies of the Issuer's Articles of Association and other documents relating to the Preferred Securities are available as described under "General Information — Documents". The wording set out in italics at the end of paragraph 3 shall not form part of the terms and conditions of the Issuer's Articles of Association.

1. Definitions and Interpretation

In this description of the Preferred Securities, except to the extent that the context requires otherwise:

"Additional Amounts" means the additional amounts which may be payable in respect of the Preferred Securities as described in paragraph 11;

"Agency Agreement" means the agency agreement dated the Closing Date relating to the Preferred Securities between the Bank, the Issuer, the Principal Paying and Transfer Agent, the Registrar and the other agents named therein;

"Bank" means EFG Eurobank Ergasias S.A. and its successors and assigns;

"Business Day" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Athens and Jersey and which is a TARGET Settlement Day;

"Capital Disqualification Event" means a change in any applicable law or regulation (including the provisions of Circular 21/2004 of the Bank of Greece on tier 1 instruments), or in the official interpretation or application thereof, as a result of which for the purposes of capital adequacy requirements applicable to banks in Greece, at that time an amount equal to, and in respect of, the aggregate liquidation preference of the Preferred Securities outstanding (being €1,000 per Preferred Security) will not be included in the tier 1 capital of the Bank on a consolidated basis;

"Clearstream Banking Frankfurt" means Clearstream Banking Aktiengesellschaft, Frankfurt am Main;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme or its successor;

"Closing Date" means the date specified as such in the Final Terms;

"Directors" means some or all of the directors of the Issuer acting as a board and includes a duly appointed committee of the directors of the Issuer;

"Distributable Funds" means, in respect of a particular financial year, the aggregate amount, as calculated as of the end of the immediately preceding financial year of the Bank, of the profit and any accumulated retained earnings and any other reserves and surpluses of each member of the Group available for distribution in such particular financial year as cash dividends to ordinary shareholders of the Bank under the companies laws of, and accounting standards applicable in, Greece; but before deduction of the amount of any dividend or other distribution declared on the Bank's ordinary share capital in respect of such particular financial year;

"Dividend Rate" means the rate per annum specified in the Final Terms;

"Euroclear" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"Final Terms" means the Final Terms relating to the Preferred Securities, which will be substantially in the form set out in the Prospectus dated 24th October, 2005 relating to the Preferred Securities;

"First Call Date" means the date specified as such in the Final Terms;

"Global Certificate" has the meaning set out in paragraph 13;

"Greek Tax" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Greece or any political sub-division thereof or by any authority therein or thereof having power to tax;

"Group" means the Bank together with its Subsidiaries;

"Guarantee" means the subordinated guarantee in favour of the Holders (as defined in the Guarantee) to be executed by the Bank on the Closing Date as a deed poll;

"Holder" means, in relation to any Preferred Security, the member of the Issuer whose name is entered in the Register as the holder of such Preferred Security;

"Jersey Tax" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Jersey or any political sub-division thereof or by any authority therein or thereof having power to tax;

"Junior Obligations" means (a) ordinary shares of the Bank; (b) any preferred or preference shares or securities or other obligations of the Bank that rank junior to the Guarantee; and (c) any preferred or preference shares or securities or other obligations of a Subsidiary including the Issuer entitled to the benefit of a guarantee, support agreement or other similar undertaking of the Bank that ranks junior to the Guarantee and any such guarantees, support agreements or similar undertakings of the Bank;

"Law" means the Companies (Jersey) Law, 1991 as the same may be amended from time to time;

"Liquidation Distribution" means the Liquidation Preference plus (a) any accrued and unpaid Preferred Dividends (whether or not declared) calculated from and including the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to but excluding the date of payment, and (b) any Additional Amounts, in each case payable in cash only;

"Liquidation Parity Obligations" means the most senior preferred or preference shares or securities or other obligations of the Bank and any guarantee, support agreement or other similar undertaking of the Bank, in each case ranking *pari passu* with the Guarantee as regards entitlement to distributions on liquidation thereunder and any preferred or preference shares or securities or other obligations of a Subsidiary including the Issuer entitled to the benefit of a guarantee, support agreement or other similar undertaking of the Bank which guarantee, support agreement or other similar undertaking ranks *pari passu* with the Guarantee as regards entitlement to distributions on liquidation thereunder;

"Liquidation Preference" means the liquidation preference of €1,000 per Preferred Security;

"Optional Redemption Price" means €1,000 per Preferred Security plus accrued and unpaid Preferred Dividends calculated from (and including) the immediately preceding Preferred Dividend Payment Dates (or, if none, the Closing Date) to (but excluding) the Redemption Date whether or not declared, and any Additional Amounts remaining unpaid;

"Parity Obligations" means Liquidation Parity Obligations and Preferred Dividend Parity Obligations;

"Paying and Transfer Agent" means each of the Principal Paying and Transfer Agent, ABN AMRO Bank N.V. and Deutsche Bank Luxembourg S.A. and/or any other entity appointed as paying and transfer agent by the Issuer and notified to the Holders;

"Preferred Dividends" means the non-cumulative dividends in respect of the Preferred Securities as described under paragraph 2;

"Preferred Dividend Parity Obligations" means (a) the most senior preferred or preference shares or securities or other obligations qualifying as tier 1 capital of the Bank on a consolidated basis and ranking *pari passu* as regards entitlement to distributions thereunder with the Bank's obligations under the Guarantee and (b) all preferred or preference shares or securities or other obligations of Subsidiaries, including of the Issuer, qualifying as tier 1 capital of the Bank on a consolidated basis and entitled to the benefit of any guarantee, support agreement or similar undertaking of the Bank in each case ranking *pari passu* with the Bank's obligations under the Guarantee as regards entitlement to distributions thereunder, and any such guarantee, support agreement or other similar undertaking of the Bank;

"Preferred Dividend Payment Date" means each date on which a Preferred Dividend is payable in accordance with the provisions of paragraph 2(a);

"Preferred Dividend Period" means the period from and including the Closing Date to but excluding the first Preferred Dividend Payment Date and each successive period from and including a Preferred Dividend Payment Date to but excluding the next succeeding Preferred Dividend Payment Date;

"Preferred Securities" means the Series C Fixed Rate Non-cumulative Guaranteed Non-voting Preferred Securities of the Issuer outstanding, each with a "par value" Liquidation Preference, and including any further Preferred Securities of the Issuer of the same series issued pursuant to paragraph 10;

"Principal Paying and Transfer Agent" means Deutsche Bank Aktiengesellschaft or such other entity appointed by the Issuer and notified to the Holders;

"Redemption Date" means the date on which the Preferred Securities are redeemed by the Issuer;

"Register" means the register of Holders maintained by the Registrar outside the United Kingdom on behalf of the Issuer;

"Registrar" means Deutsche Bank Aktiengesellschaft or such other entity appointed by the Issuer and notified to the Holders;

"Special Resolution" means a resolution of the Issuer passed as a special resolution in accordance with the Law;

"Stock Exchange" means each of the London Stock Exchange plc, the Frankfurt Stock Exchange and Euronext Amsterdam N.V. and/or such other stock exchange on which the Preferred Securities may be listed and/or admitted to trading from time to time;

"Subsidiary" means any corporation or other person or entity more than 50 per cent. of whose equity share capital is owned by the Bank, or 20 per cent., at least, of whose equity share capital is directly or indirectly controlled by the Bank and whose board of directors is controlled by the Bank or which is consolidated in the most recent annual audited consolidated financial statements of the Bank or which will be so consolidated in the next annual audited consolidated financial statements of the Bank;

"TARGET Settlement Day" means any day on which the TARGET System is operating; and

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

2. Preferred Dividends on Preferred Securities

(a) Preferred Dividend Payment Dates

Preferred Dividends on the Preferred Securities are non-cumulative and will be deemed to accrue on a day by day basis whether or not declared. Subject to the Law, the Preferred

Dividends will be payable quarterly in arrear on the Preferred Dividend Payment Dates specified in the Final Terms in each year.

(b) *Dividend Rate*

In respect of each Preferred Dividend Period, the Dividend Rate shall be the rate per annum specified in the Final Terms. The Preferred Dividend amounts payable on the Preferred Dividend Payment Dates in each year in respect of such Preferred Dividend Periods shall be the Fixed Preferred Dividend Amount per Preferred Security. To the extent that it is necessary to calculate the amount of Preferred Dividend per Preferred Security for a period other than a Preferred Dividend Period, such amount shall be calculated on the basis of the actual number of days in the period from, and including, the date from which the Preferred Dividend begins to accrue (the "Accrual Date") to, but excluding, the date on which it falls due divided by the product of (i) the actual number of days from, and including, the Accrual Date to, but excluding, the next following Preferred Dividend Payment Date and (ii) four.

3. Limitations on Payments of Preferred Dividends on Preferred Securities

(a) *Limitations*

Subject to the Law and to the provisions of paragraph 4 below, Preferred Dividends on the Preferred Securities may be declared by the Directors, in their sole discretion, and paid by the Issuer out of funds legally available therefor.

However, subject to the provisions of paragraph 4 below, the Directors will not declare, and the Issuer will not be permitted to pay, any Preferred Dividend on the Preferred Securities if:

(i) such Preferred Dividend, together with the amount of:

(A) any Preferred Dividends previously paid in respect of the Preferred Securities and distributions previously paid in respect of Preferred Dividend Parity Obligations in the then current financial year; and

(B) any Preferred Dividends proposed or scheduled to be paid in respect of the Preferred Securities and distributions proposed or scheduled to be paid in respect of Preferred Dividend Parity Obligations in the then current financial year,

would exceed Distributable Funds; or

(ii) sufficient Distributable Funds are available, but the Issuer has been notified that a resolution of the directors of the Bank has been passed that states that in the opinion of the directors of the Bank payment of such Preferred Dividends would cause the Bank to breach Greek banking regulations affecting banks which fail to meet their capital adequacy ratios on a consolidated basis, as applicable and in force at the relevant time.

For the avoidance of doubt, the Directors will only be required to declare, and the Issuer will only be required to pay, a Preferred Dividend in the circumstances set out in paragraph 4.

References to Preferred Dividends in this paragraph include Additional Amounts.

If the Issuer does not pay Preferred Dividends in respect of any Preferred Dividend Period, the Issuer shall notify each Stock Exchange, so long as the Preferred Securities are listed thereon, and the Holders.

(b) *Preferred Dividends non-cumulative*

If the Directors do not declare a Preferred Dividend payable on a Preferred Dividend Payment Date in respect of the Preferred Securities then, subject to paragraphs 4 and 5 and without affecting the rights of the Holders under the Guarantee, the entitlement of the Holders to receive such Preferred Dividend will be lost. The Issuer will have no obligation to pay the Preferred Dividend accrued for such Preferred Dividend Period or to pay any interest thereon, whether or not Preferred Dividends on the Preferred Securities are declared in respect of any future Preferred Dividend Period.

Whilst paragraph 3(a) provides that Preferred Dividends will only be paid if so declared by the Directors in their sole discretion and paid by the Issuer out of funds legally available therefor, Preferred Dividends are required to be paid by the Issuer in the circumstances set out in paragraph 4 and it is the intention of the Bank to procure that the Directors of the Issuer do declare Dividends if there are funds legally available therefor and such declaration or payment of such Preferred Dividends would not breach or cause any breach of any applicable law or regulation. However, this statement of intention is not, and is not intended to create, a legally binding agreement, undertaking, promise or representation regarding the Bank's future conduct.

4. Compulsory payment of Preferred Dividends on Preferred Securities

(a) *Compulsory payment as a result of payment on Junior Obligations*

If the Bank, the Issuer or any other Subsidiary pays any distribution(s) on or in respect of any class of Junior Obligations, then, subject to the Law and to the provisions of paragraph 4(e) below, the Issuer will be required to declare and pay Preferred Dividends on the Preferred Securities as follows:

(i) payment of the full amount of the Preferred Dividend payable on the next four Preferred Dividend Payment Dates if the distribution(s) on the Junior Obligations is made in respect of an annual period;

(ii) payment of the full amount of the Preferred Dividend payable on the next two Preferred Dividend Payment Dates if the distribution(s) on the Junior Obligations is made in respect of a semi-annual period; and

(iii) payment of the full amount of the Preferred Dividend payable on the next Preferred Dividend Payment Date if the distribution on the Junior Obligations is made in respect of a quarterly period.

(b) *Compulsory payment as a result of redemption of Junior Obligations*

Subject to the Law, the Issuer will be required to declare and make payment of the full amount of the Preferred Dividends payable on the next four Preferred Dividend Payment Dates contemporaneous with, or following, any date on which the Bank or any Subsidiary has redeemed, repurchased or otherwise acquired any Junior Obligations for any consideration (or any moneys are paid to or made available for a sinking fund for, or for redemption of, any such securities) except by conversion into or in exchange for other Junior Obligations unless (a) such acquisition is effected in accordance with the provisions of Article 16 paragraphs 2(b) to (f) or paragraph 5 *et seq.* of Greek Codified Law 2190/1920 and (b) following such acquisition and any other measure taken by the Bank:

(i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains above 8 per cent.; and

(ii) the ratio of "upper tier 1 capital" items of own funds (namely tier 1 capital excluding the Preferred Securities and similar instruments) to risk weighted assets of the Bank remains above 5 per cent. as required by Circular 21/2004 of the Bank of Greece as in force and amended or supplemented from time to time.

(c) *Compulsory payment as a result of payment on Preferred Dividend Parity Obligations*

If the Bank, the Issuer or any other Subsidiary pays any distribution(s) on or in respect of any class of Preferred Dividend Parity Obligations, then, subject to the Law and to the provisions of paragraph 4(e) below, the Issuer will be required to declare and make *pro rata* payments of Preferred Dividends on the Preferred Securities as follows:

(i) *pro rata* payment of the full amount of the Preferred Dividend payable on the next four Preferred Dividend Payment Dates if the distribution(s) on the Preferred Dividend Parity Obligations is made in respect of an annual period;

(ii) *pro rata* payment of the full amount of the Preferred Dividend payable on the next two Preferred Dividend Payment Dates if the distribution(s) on the Preferred Dividend Parity Obligations is made in respect of a semi-annual period; and

(iii) *pro rata* payment of the full amount of the Preferred Dividend payable on the next Preferred Dividend Payment Date if the distribution on the Preferred Dividend Parity Obligations is made in respect of a quarterly period.

When a distribution on Preferred Dividend Parity Obligations requires *pro rata* payment of Preferred Dividends as described above, the amount of the required payment will be in the same proportion to the aggregate specified amount of Preferred Dividends payable on the Preferred Securities as the aggregate payment that was made on such Preferred Dividend Parity Obligations bears to the amount that was payable on such Preferred Dividend Parity Obligations at the time of such payment.

(d) *Aggregation of Preferred Dividends in Preferred Dividend Period*

Subject to the Law, compulsory payments of Preferred Dividends to be made by virtue of paragraph 4(a), 4(b) or 4(c) shall be aggregated on any Preferred Dividend Payment Date with any discretionary payments made or to be made following a declaration as described in paragraph 3 in respect of any relevant Preferred Dividend Period, provided that in any relevant Preferred Dividend Period the aggregate amount paid in respect of Preferred Dividends on the Preferred Securities shall not exceed the scheduled amount of the Preferred Dividends.

Save as described in paragraph 5, after payment of any compulsory Preferred Dividend payable by virtue of this paragraph, the Holders will have no right to participate in the profits of the Issuer.

(e) *Exceptions to Compulsory Payments*

Notwithstanding the provisions of paragraphs 4(a), 4(b), 4(c) and 4(d) above, a payment of Preferred Dividends will not be compulsory if the Bank, the Issuer or any other Subsidiary:

(i) pays a dividend or other distribution on any ordinary shares of the Bank (i) which dividend or other distribution is solely in the form of Junior Obligations or (ii) the whole of which dividend or other distribution is mandatorily required to be paid by mandatory operation of Greek law from time to time; or

(ii) pays a dividend or other distribution on the €200,000,000 Series A CMS-Linked Non-cumulative Guaranteed Non-Voting Preferred Securities issued in March 2005, which payment is triggered by payment on any ordinary shares of the Bank and the whole of which payment on such ordinary shares is mandatorily required by mandatory operation of Greek law from time to time.

5. Redemption of Preferred Securities

(a) Optional redemption

Subject to the Law and paragraph (d) below, the Preferred Securities are redeemable, at the option of the Issuer, in whole but not in part, on the First Call Date and on any Preferred Dividend Payment Date falling thereafter, upon not less than 30 or more than 60 days' notice to the Holders (which notice shall be irrevocable). Upon the expiry of such notice, the Issuer shall be bound to redeem each Preferred Security accordingly at the Optional Redemption Price.

(b) Redemption for tax reasons

(i) Subject to the Law and paragraph (d) below, if, at any time, as a result of any amendment to or change in the laws or regulations of Jersey or Greece or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any change in the application of or official interpretation or administration of any such laws or regulations, which amendment or change becomes effective on or after the date of publication of the Final Terms, the Issuer is or would be required to pay Additional Amounts, or the Bank would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay Additional Amounts under the Guarantee, then, the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time, upon not less than 30 or more than 60 days' notice to the Holders (which notice shall be irrevocable). Upon the expiry of such notice, the Issuer shall be bound to redeem each Preferred Security at the Optional Redemption Price.

(ii) Subject to the Law and paragraph (d) below, if, at any time, as a result of any amendment to or change in the laws or regulations of Jersey or Greece or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any change in the application of or official interpretation or administration of any such laws or regulations, which amendment or change becomes effective on or after the date of publication of the Final Terms the Issuer or the Bank, in relation to the Preferred Securities, the Guarantee and/or any associated transactions (including, but not limited to, any loan or deposit from the Issuer to the Bank, any loan or deposit from a Subsidiary to the Bank or any loan or deposit from the Issuer to any other Subsidiary), is or would be required to pay (i) Jersey Tax, other than in respect of Jersey source income, or (ii) Greek Tax, then the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time, upon not less than 30 or more than 60 days' notice to the Holders (which notice shall be irrevocable). Upon the expiry of such notice, the Issuer shall be bound to redeem each Preferred Security at the Optional Redemption Price.

(c) Redemption for Capital Disqualification Event

Subject to the Law and paragraph (d) below, if, at any time a Capital Disqualification Event has occurred and is continuing, the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time, upon not less than 30 or more than 60 days' notice to the Holders (which notice shall be irrevocable). Upon the expiry of such notice, the Issuer shall be bound to redeem each Preferred Security at the Optional Redemption Price.

(d) Precondition to redemption

Any redemption under paragraph 5(a), (b) or (c) will be subject to the prior consent of the Bank and the Bank of Greece.

The notice to the Holders under paragraph 5(a), (b) or (c) will specify the Redemption Date and the Optional Redemption Price. For so long as the Preferred Securities are listed on any Stock Exchange, the Issuer will notify each Stock Exchange of any redemption under paragraph 5(a), (b), or (c).

6. Payments

Preferred Dividends declared on the Preferred Securities will be payable on the relevant Preferred Dividend Payment Date (or where the relevant Preferred Dividend Payment Date is not a Business Day, on the next Business Day (without adjustment for interest in respect of such delay)) and any Optional Redemption Price, will be payable on the relevant Redemption Date (or where the relevant Redemption Date is not a Business Day, on the next Business Day (without adjustment for interest in respect of such delay)) by the Issuer to the Holders of record as they appear on the Register on the relevant record date, which will be 15 days prior to the relevant Preferred Dividend Payment Date or Redemption Date, as the case may be.

Whilst the Preferred Securities are represented by the Global Certificate, payments in respect of the Preferred Securities will be made to or as directed by Clearstream Banking Frankfurt. Payments so made shall be made by wire transfer, and Clearstream Banking Frankfurt, Euroclear or Clearstream, Luxembourg, as applicable, will credit the relevant accounts of their participants on the applicable Preferred Dividend Payment Dates or Redemption Date. Each holder of a beneficial interest in the Global Certificate must look solely to Clearstream Banking Frankfurt, Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made by the Issuer to the Holder or as directed by Clearstream Banking Frankfurt as aforesaid and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Clearstream Banking Frankfurt, Euroclear or Clearstream, Luxembourg, as the case may be. Such persons shall have no claim directly against the Issuer in respect of payments due on the Preferred Securities for so long as the Preferred Securities are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the Holder or as directed by Clearstream Banking Frankfurt as aforesaid in respect of each amount so paid.

If definitive Preferred Securities are issued, payments of the Optional Redemption Price in respect thereof will be made at the office of any Paying and Transfer Agent, in each case against presentation and surrender of the relevant definitive Preferred Security. Subject to any applicable fiscal or other laws and regulations, each payment in respect of Preferred Dividends on definitive Preferred Securities may, at the Issuer’s option, be made by euro cheque drawn on a bank in a principal financial centre in the euro-zone and mailed to the Holder at such Holder’s address as it appears on the Register on the relevant record date or by wire transfer if the Issuer (or its agent) so agrees with such Holder and if appropriate wire transfer instructions have been received by the Principal Paying and Transfer Agent not less than 30 days prior to the date of any such payments.

If the Issuer does not pay a Preferred Dividend which has been declared and is payable, a Holder’s right to receive payment of such Preferred Dividend will be satisfied if and to the extent that the Bank pays such Preferred Dividend pursuant to the Guarantee.

If the Issuer gives a notice of redemption in respect of the Preferred Securities, then, by 10.00 a.m., Brussels time, on the Redemption Date, the Issuer will irrevocably deposit with the Principal Paying and Transfer Agent funds sufficient to pay the aggregate Optional Redemption Prices, and will give the Principal Paying and Transfer Agent irrevocable instructions and authority to pay the Optional Redemption Price in respect of each Preferred Security to each Holder. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of the Holders will be extinguished, except the right of the Holder to receive the Optional Redemption Price in respect of each Preferred Security and the Preferred Securities will cease to be outstanding.

In the event that deposit is not made as aforesaid or payment of the Optional Redemption Price in respect of any Preferred Security is improperly withheld or refused and not paid either by the Issuer or by the Bank pursuant to the Guarantee, Preferred Dividends on such Preferred Security, subject as described above, will continue to accrue, at the then applicable rate, from the Redemption Date to the date of actual payment of such Optional Redemption Price.

7. Purchase of Preferred Securities

Subject to the foregoing and to applicable law, (including, without limitation, Greek and Jersey securities and banking laws and regulations) and to the requirements of the rules of each Stock Exchange (for so long as the Preferred Securities are listed thereon), the Issuer or the Bank or any Subsidiary may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement.

Any such purchase to be made by the Issuer or by the Bank or by any Subsidiary shall be subject to the prior consent of the Bank of Greece. Any purchase to be made by the Issuer shall be made in such manner and in such terms as the Issuer shall approve in a general meeting.

The restrictions contained in this paragraph 7 shall not apply to any purchase of Preferred Securities where such purchase is made (i) in the ordinary course of a business of dealing in securities and (ii) for the account of a person other than the Issuer, the Bank or any Subsidiary.

8. Liquidation Distributions

In the event of any bankruptcy, winding-up, liquidation or dissolution of the Issuer, the Holders will be entitled to receive the Liquidation Distribution in respect of each Preferred Security held out of the assets of the Issuer available for distribution to shareholders.

Such entitlement will arise before any distribution of assets is made to holders of ordinary shares or any other class of shares of the Issuer ranking junior as regards participation in assets to the Preferred Securities, but such entitlement will rank equally with the entitlement of the holders of any other preferred or preference shares or securities or other obligations, if any, of the Issuer and which, in any such case, rank *pari passu* with the Preferred Securities as regards participation in the assets of the Issuer.

Notwithstanding the availability of sufficient assets of the Issuer to pay any Liquidation Distribution to the Holders, if, at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution in respect of each Preferred Security paid to Holders and the liquidation distribution paid to the holders of Liquidation Parity Obligations shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with Greek law of all creditors of the Bank, including holders of its subordinated debt but excluding holders of any liability ranking *pari passu* with or junior to the Bank's obligations under the Guarantee) had the Preferred Securities and all such Liquidation Parity Obligations been issued by the Bank and ranked (i) junior to Senior Creditors (as defined in the Guarantee), (ii) *pari passu* with the Parity Obligations, if any, of the Bank and (iii) senior to all Junior Obligations of the Bank.

If the Liquidation Distributions and any other such liquidation distributions cannot be made in full by reason of the limitation described above, such amounts will be payable *pro rata* in the proportion that the amount available for payment bears to the full amount that would have been payable but for such limitation. After payment of the Liquidation Distribution, as adjusted if applicable, the Holders will have no right or claim to any of the remaining assets of the Issuer or the Bank.

In the event of the liquidation, dissolution or winding-up of the Bank, the Directors of the Issuer shall convene an extraordinary general meeting of the Issuer for the purpose of proposing a

Special Resolution to put the Issuer into winding-up and the amount to which each Holder shall be entitled as a Liquidation Distribution will be as set out above.

9. Voting Rights

Except as provided in this paragraph, Holders will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of the Issuer.

If in respect of four Preferred Dividend Periods:

(a) Preferred Dividends (whether or not declared) or any Additional Amounts in respect of such Preferred Dividends on the Preferred Securities have not been paid in full by the Issuer in accordance with the terms and provisions of the Preferred Securities; or

(b) the Bank breaches any of its payment obligations under the Guarantee in respect of such Preferred Dividends or Additional Amounts,

then the Holders of the outstanding Preferred Securities, together with the holders of any other preferred securities or preference shares of the Issuer having the right to vote for the election of Directors in such event, acting as a single class without regard to series, will be entitled, by written notice to the Issuer given by the holders of a majority in liquidation preference of such securities and shares or by ordinary resolution passed by the holders of a majority in liquidation preference of such securities and shares present in person or by proxy at a separate general meeting of such holders convened for the purpose, to appoint two additional persons to act as Directors of the Issuer, and to remove any such Director from office and to appoint another person in place of such Director.

Not later than 30 days after such entitlement arises, if the written notice of the Holders and the holders of any other preferred securities or preference shares of the Issuer having the right to vote for the election of Directors in the circumstances described in the preceding sentence has not been given as provided for in the preceding sentence, the Directors will convene a separate general meeting for the above purpose. If the Directors fail to convene such meeting within such 30 day period, the holders of not less than 10 per cent. by liquidation preference of the outstanding Preferred Securities and such other preferred securities or preference shares will be entitled to convene such meeting. The provisions of the Articles concerning the convening and conduct of general meetings of shareholders shall apply with respect to such meeting. Subject to the terms of such other preferred securities or preference shares, if, in respect of four Preferred Dividend Periods, Preferred Dividends and any Additional Amounts in respect of such Preferred Dividends have been paid in full on the Preferred Securities by the Issuer or the Bank has made payment of all amounts guaranteed in respect of such Preferred Dividends (whether or not declared) and any Additional Amounts, any Directors so appointed shall vacate the office.

Any variation or abrogation of the rights, preferences and privileges of the Preferred Securities by way of amendment of the Issuer's Articles or otherwise (including, without limitation, the authorisation or issuance of any shares of the Issuer ranking, as to participation in the profits or assets of the Issuer, senior to the Preferred Securities) shall not be effective (unless otherwise required by applicable law) except with the consent in writing of the Holders of not less than two-thirds in liquidation preference of the outstanding Preferred Securities or with the sanction of a resolution, passed by a majority of not less than two-thirds in liquidation preference of the Holders of the outstanding Preferred Securities, present or represented at a separate meeting at which the quorum shall be Holders present or represented holding at least one-third in liquidation preference of the outstanding Preferred Securities.

No such sanction shall be required if, as determined by the Directors of the Issuer, the change is solely of a formal, minor or technical nature or is to correct an error or cure an ambiguity, provided that any such change does not reduce the amounts payable to or impose any obligation on the

Holders or adversely affect their voting rights or cause any modification of the terms of the Preferred Securities pursuant to paragraph 10.

Notwithstanding the foregoing, no vote of the Holders will be required for the Issuer to redeem the Preferred Securities in accordance with the Issuer's Articles.

In addition to the voting rights referred to above, no resolution may be proposed for adoption by the holders of the Issuer's ordinary shares providing for the winding-up, liquidation or dissolution of the Issuer, unless the Holders of a simple majority by liquidation preference of the outstanding Preferred Securities and holders of any other preferred or preference shares or securities or other obligations ranking *pari passu* as regards participation in profits or assets with the Preferred Securities have approved such resolution. Such approval may only be given by the consent in writing of the holders of at least a simple majority in liquidation preference of the outstanding Preferred Securities and such other preferred or preference shares or securities or other obligations or with the sanction of a resolution passed by not less than a simple majority in liquidation preference at a meeting of the holders of the Preferred Securities and such other preferred or preference shares or securities or other obligations present and voting at such meeting. Such approval shall not be required if the winding-up, liquidation or dissolution of the Issuer is proposed or initiated because of the winding-up, liquidation or dissolution of the Bank.

Notwithstanding that Holders are entitled to vote under any of the limited circumstances described above, any Preferred Security outstanding at such time that is owned by the Bank, or any Subsidiary of the Bank, shall not carry a right to vote and shall, for voting purposes, be treated as if it were not outstanding.

The Issuer will cause a notice of any meeting at which Holders are entitled to vote to be mailed to each Holder. Each such notice will include a statement setting forth (a) the date, time and place of such meeting, (b) a description of any resolution to be proposed for adoption at such meeting on which the Holders are entitled to vote and (c) instructions for the delivery of proxies.

10. Further Issues

Notwithstanding paragraph 9, provided that the most recent Preferred Dividend payable on the Preferred Securities has been paid in full by the Issuer (or the Bank pursuant to the Guarantee), the holders of the Issuer's ordinary shares or the Directors of the Issuer may, without the consent or sanction of the Holders, take such action as is required in order to amend the Issuer's Articles:

(a) to increase the authorised amount of Preferred Securities or to create and issue one or more other series of preferred securities or preference shares of the Issuer ranking *pari passu* with the Preferred Securities as regards participation in the profits and assets of the Issuer; or

(b) to authorise, create and issue one or more other classes of shares or securities of the Issuer ranking junior, as regards participation in the profits and assets of the Issuer, to the Preferred Securities.

Thereafter, the Issuer may, provided that, in the case of (a) above the Issuer has declared and paid in full the Preferred Dividend on the Preferred Securities in respect of the immediately preceding Preferred Dividend Payment Date and, in the case of (b) above, without any pre-condition, without the consent of the Holders issue any such further securities either having the same terms and conditions as the Preferred Securities in all respects (or in all respects except for the first payment of Preferred Dividends on them) and so that such further issue shall be consolidated and form a single series with the Preferred Securities then in issue or upon such other terms as aforesaid.

Notwithstanding the foregoing, the Issuer may only issue further Preferred Securities if, at the same time, the Bank issues in respect of the further Preferred Securities a guarantee having terms and conditions that are substantially identical to the Guarantee (or extends the Guarantee to cover the further Preferred Securities).

11. Additional Amounts

All payments in respect of the Preferred Securities by the Issuer will be made without withholding or deduction for, or on account of, any Jersey Tax or Greek Tax, unless the withholding or deduction of such Jersey Tax or Greek Tax is required by law. In that event, the Issuer will pay as further dividends such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Preferred Securities in the absence of such withholding or deduction; except that no such Additional Amounts will be payable to a Holder (or to a third party on his behalf) with respect to any Preferred Security (i) to the extent that such Jersey Tax or Greek Tax is imposed or levied by virtue of the Holder (or the beneficial owner of such Preferred Security) having some connection with Jersey or Greece, other than being a Holder (or beneficial owner) of such Preferred Security or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive (iii) where such withholding or deduction would not have been imposed if the Holder (or beneficial owner) of such Preferred Security had complied with a statutory requirement or made a declaration of non-residence or other similar claim for exemption but failed to do so, or (iv) who would, where presentation of the Preferred Security is required, have been able to avoid such withholding or deduction by presenting the Preferred Securities to another Paying and Transfer Agent in a Member State of the European Union, and except that the Issuer’s obligations to make any such payments are subject to the limitations on payments provisions under paragraph 3.

12. Prescription

Any moneys paid by the Issuer to the Principal Paying and Transfer Agent for the payment of Preferred Dividends or on a redemption of the Preferred Securities and remaining unclaimed at the end of two years following the date on which such Preferred Dividends or redemption proceeds become payable shall be returned to the Issuer at the Issuer’s request, and the Holders shall thereafter look only to the Issuer for the payment thereof.

13. Form, Registration and Transfer of Preferred Securities

The Preferred Securities will be in registered form and evidenced by a single global certificate (the “Global Certificate”) deposited with, and registered in the name of, Clearstream Banking Frankfurt on the Closing Date. The Preferred Securities will also be eligible for clearing and settlement through Euroclear and Clearstream, Luxembourg. Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg will make payment of any amounts received by them to their accountholders in accordance with their published rules and regulations. Except as set forth below, no definitive Preferred Securities will be issued.

Beneficial interests in the Preferred Securities will be shown only on, and transfers thereof will be effected only through, book-entry records maintained by Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg and their respective participants and, except in the limited circumstances described below, Preferred Securities in definitive registered form will not be issued. Holders of beneficial interests in the Global Certificate must rely on the procedures of Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg and (if applicable) their respective participants to exercise any rights of a Holder under the Global Certificate. None of the Bank, the Issuer, any Paying and Transfer Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in the Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

The Global Certificate will cease to represent the Preferred Securities, and Preferred Securities in definitive registered form in aggregate Liquidation Preference equal to the Liquidation Preference of the Global Certificate will be exchangeable therefor, only if:

(i) any or all of Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg is or are closed for business for a continuous period of 14 days or more (other than for the purposes of a public holiday) or announces an intention permanently to cease business or does in fact so cease business other than in connection with a merger of Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg; or

(ii) as a result of a change in law, transfer duties or similar taxes become payable on transfers of the Preferred Securities in Clearstream Banking Frankfurt, Euroclear and/or Clearstream, Luxembourg.

Such definitive Preferred Securities will be in denominations of €1,000 (and integral multiples thereof) and will be registered in such names as Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg shall direct (such instructions being expected to be based upon directions received by Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg from their participants with respect to ownership of beneficial interests in the Preferred Securities).

If definitive Preferred Securities are issued, they may be exchanged or transferred in whole or in part by surrendering such definitive Preferred Securities at the office of the Registrar or any Paying and Transfer Agent with a written instrument of transfer (which may be obtained at any such office) duly executed by the Holder thereof or its attorney duly authorised in writing. In exchange for any definitive Preferred Security properly presented for transfer, the Registrar or such Paying and Transfer Agent will promptly authenticate and deliver or cause to be authenticated or delivered at the office of the Registrar or such Paying and Transfer Agent, to the Holder entitled to such Preferred Security, or send by mail (at the risk of such Holder) to such address as such Holder may request, a definitive Preferred Security or Preferred Securities.

Registration of transfers of Preferred Securities will be effected without charge by or on behalf of the Issuer, but only upon payment by the transferor of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The Issuer will not be required to register or cause to be registered the transfer of Preferred Securities after such Preferred Securities have been called for redemption.

14. Paying and Transfer Agents and Registrar

Each of the Paying and Transfer Agents and the Registrar shall be permitted to resign as Paying and Transfer Agents or Registrar, as the case may be, upon 30 days' written notice to the Issuer. In the event that Deutsche Bank Aktiengesellschaft shall no longer be the Principal Paying and Transfer Agent, the Issuer shall appoint a successor (which shall be a financial institution or trust company acceptable to the Issuer) to act as Principal Paying and Transfer Agent. For so long as the Preferred Securities are admitted to trading on the regulated market of any Stock Exchange, the Issuer will maintain a Paying Agent and a Transfer Agent in such location as is required to maintain such admission. The Issuer will give notice in the manner described under paragraph 15 when any new paying and transfer agent is appointed. For so long as any Preferred Securities are outstanding, the Issuer will maintain (i) a Registrar having its office outside the United Kingdom and (ii) a Paying and Transfer Agent having its specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained whether by the Principal Paying and Transfer Agent or the Registrar will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying and Transfer Agent, the Registrar and all Holders and (in the absence of any such wilful default, bad faith or manifest error) no liability to the Issuer, the Registrar or the Holders shall attach to the Principal Paying and Transfer Agent or the Registrar in connection with the exercise or non-exercise by them of their powers, duties and discretions.

15. Notices

Any notice to Holders will be deemed validly given if sent to them at their respective addresses in the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing or, if posted from another country, on the fifth such day. In addition, notices to Holders will be given by the Issuer, for so long as the Preferred Securities are admitted to trading on the regulated market of any Stock Exchange, in accordance with the regulations relating to such admission. Any notice published in a newspaper shall be deemed to have been given on the date of publication or, if published on different dates, on the date of the first such publication.

In addition to such publications (if so required) notices may also be given by the Issuer by mail to Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg. Such notices to Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg shall be deemed to have been given on the fourth day after the date of mailing.

In accordance with their respective published rules and regulations, each of Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg will notify holders of securities accounts with it to which any Preferred Securities are credited of any such notices received by it.

16. Governing Law

Being shares in a Jersey company, the Preferred Securities shall be governed by, and construed in accordance with, Jersey law.

In addition, the Articles of Association of the Issuer contain, *inter alia*, provisions (with the exception of sections in italics) to the following effect:

All the Issuer's ordinary shares are owned by the Bank. In any year, subject to Jersey law and the provisions of paragraph 4, the Issuer may, without the consent of the Holders, declare and pay dividends on the ordinary shares to the Bank as the holder of the ordinary shares. Such dividends will be paid out of the Issuer's funds, if any, available after payment of the Preferred Dividends on the Preferred Securities if and as due in accordance with the terms and conditions of the Preferred Securities. *No dividend has been paid on the ordinary shares of the Issuer since its incorporation.*

SUBORDINATED GUARANTEE

Set forth below is the text of the Guarantee in or substantially in the form to be executed by the Bank:

"THIS DEED OF GUARANTEE (the "Guarantee"), dated [*date*], is executed and delivered by EFG Eurobank Ergasias S.A. a company incorporated under the laws of Greece (the "Bank") for the benefit of the Holders (as defined below).

WHEREAS the Bank desires to cause the Issuer to issue the Preferred Securities and the Bank desires to issue this Guarantee for the benefit of the Holders, as provided herein.

NOW THEREFORE the Bank executes and delivers this Guarantee for the benefit of the Holders.

1. Definitions and Interpretation

As used in this Guarantee, capitalised terms not defined herein shall have the meanings ascribed to them in the Issuer's Articles of Association and otherwise the following terms shall, unless the context otherwise requires, have the following meanings:

"Additional Amounts" means, except where otherwise defined in relation to the Issuer, the additional amounts which may be payable in respect of the Preferred Securities as described in paragraph 4;

"Distributable Funds" means, in respect of a particular financial year, the aggregate amount, as calculated as of the end of the immediately preceding financial year of the Bank, of the profit and any accumulated retained earnings and any other reserves and surpluses of each member of the Group available for distribution in such particular financial year as cash dividends to ordinary shareholders of the Bank under the companies laws of, and accounting standards applicable in, Greece; but before deduction of the amount of any dividend or other distribution declared on the Bank's ordinary share capital in respect of such particular financial year;

"Group" means the Bank together with its Subsidiaries;

"Guarantee Payments" means (without duplication) payments under this Guarantee in respect of (a) any declared but unpaid Preferred Dividends on the Preferred Securities for the most recent Preferred Dividend Period; (b) any compulsory Preferred Dividends pursuant to, and in accordance with, Article 12 of the Issuer's Articles of Association (whether or not declared); (c) the Optional Redemption Price payable with respect to any Preferred Security due to be redeemed by the Issuer; (d) the Liquidation Distributions due on the Liquidation Date; and (e) any Additional Amounts (as defined in the Issuer's Articles of Association) payable by the Issuer;

"Holder" means, in relation to any Preferred Security, the member of the Issuer whose name is entered in the Register as holder of such Preferred Security, or for as long as the Preferred Securities are represented by the Global Certificate which is deposited with Clearstream Banking Frankfurt, each person (other than Clearstream Banking Frankfurt, Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Clearstream Banking Frankfurt, Euroclear or Clearstream, Luxembourg as the holder of any Preferred Securities in which regard any certificate or other document issued by Clearstream Banking Frankfurt, Euroclear or Clearstream, Luxembourg, as the case may be, as to the number of the Preferred Securities standing to the account of any person shall be conclusive and binding for all purposes;

"Issuer" means EFG Hellas Funding Limited, a wholly-owned Subsidiary of the Bank incorporated in Jersey;

"Junior Obligations" means (a) ordinary shares of the Bank; (b) any preferred or preference shares or securities or other obligations of the Bank that rank junior to this Guarantee; and (c) any preferred or preference shares or securities or other obligations of a Subsidiary including the Issuer entitled to the benefit of a guarantee, support agreement or other similar undertaking of the Bank that ranks junior to this Guarantee and any such guarantees, support agreements or similar undertakings of the Bank;

"Liquidation Date" means the date of final distribution of the assets of the Issuer in the case of a bankruptcy, liquidation, dissolution or winding-up of the Issuer;

"Liquidation Distribution" means the Liquidation Preference plus (a) any accrued and unpaid Preferred Dividends (whether or not declared) calculated from and including the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to but excluding the date of payment, and (b) any Additional Amounts, in each case payable in cash only;

"Liquidation Parity Obligations" means the most senior preferred or preference shares or securities or other obligations of the Bank and any guarantee, support agreement or other similar undertaking of the Bank, in each case ranking *pari passu* with this Guarantee as regards entitlement to distributions on liquidation thereunder and any preferred or preference shares or securities or other obligations of a Subsidiary including the Issuer entitled to the benefit of a guarantee, support agreement or other similar undertaking of the Bank which guarantee, support agreement or other similar undertaking ranks *pari passu* with this Guarantee as regards entitlement to distributions on liquidation thereunder;

"Liquidation Preference" means the liquidation preference of €1,000 per Preferred Security;

"Optional Redemption Price" means €1,000 per Preferred Security plus accrued and unpaid Preferred Dividends calculated from and (including) the immediately preceding Preferred Dividend Payment Dates (or, if none the Closing Date) to (but excluding) the Redemption Date whether or not declared, and any Additional Amounts remaining unpaid;

"Preferred Dividends" means the non-cumulative dividends in respect of the Preferred Securities as described in the Articles of Association of the Issuer;

"Preferred Securities" means the [*Amount*] Series C Fixed Rate Non-cumulative Guaranteed Non-voting Preferred Securities of the Issuer outstanding, each with a "par value" Liquidation Preference, and including any further Preferred Securities of the Issuer of the same series issued pursuant to Article 54 of the Issuer's Articles of Association;

"Redemption Date" means the Preferred Dividend Payment Date on which the Preferred Securities are redeemed by the Issuer;

"Register" means the register of Holders maintained by the Registrar outside the United Kingdom on behalf of the Issuer;

"Senior Creditors" means the senior creditors of the Bank as described in paragraph 3;

"Stock Exchange" means each of the London Stock Exchange plc, the Frankfurt Stock Exchange and Euronext Amsterdam N.V. and/or such other stock exchange on which the Preferred Securities may be listed and/or admitted to trading from time to time; and

"Subsidiary" means any corporation or other person or entity more than 50 per cent. of whose equity share capital is owned by the Bank or 20 per cent., at least, of whose equity share capital is directly or indirectly controlled by the Bank and whose board of directors is controlled by the Bank or which is consolidated in the most recent annual audited consolidated financial statements of the Bank or which will be so consolidated in the next annual audited consolidated financial statements of the Bank.

2. Guarantee

Subject to the limitations contained in the following paragraphs, the Bank irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (except to the extent paid by the Issuer), as and when due, regardless of any defence, right of set-off or counterclaim which the Issuer may have or assert. This Guarantee is continuing, irrevocable and absolute.

3. Liquidation Distributions

Notwithstanding paragraph 2 above, if, at the time that any Liquidation Distribution is to be paid in respect of the Preferred Securities, proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, payment under this Guarantee of such Liquidation Distributions and payment by the Bank in respect of any liquidation distributions payable with respect to Liquidation Parity Obligations, shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with the Greek law of all creditors of the Bank, including holders of its subordinated debt but excluding holders of any liability ranking *pari passu* with or junior to the Bank's obligations under this Guarantee) had the Preferred Securities and all such Liquidation Parity Obligations been issued by the Bank and ranked (a) junior to all liabilities of the Bank (other than any liability ranking *pari passu* with or junior to the Bank's obligators under this Guarantee) ("Senior Creditors"), (b) *pari passu* with the Parity Obligations, if any, of the Bank and (c) senior to all Junior Obligations of the Bank.

4. Additional Amounts

All Guarantee Payments made hereunder in respect of the Preferred Securities by the Bank will be made without withholding or deduction for, or on account of, any Greek Tax, unless the withholding or deduction of such Greek Tax is required by law. In that event, the Bank will pay such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Preferred Securities in the absence of such withholding or deduction; except that no such Additional Amounts will be payable to a Holder (or to a third party on his behalf) with respect to any Preferred Security (i) to the extent that such Greek Tax is imposed or levied by virtue of the Holder (or the beneficial owner of such Preferred Security) having some connection with Greece, other than being a Holder (or beneficial owner) of such Preferred Security, or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; (iii) where such withholding or deduction would not have been imposed if the Holder or (beneficial owner) of such Preferred Security had complied with a statutory requirement or made a declaration of non-residence or other similar claim for exemption but failed to do so, or (iv) who would, where presentation of the Preferred Security is required, have been able to avoid such withholding or deduction by presenting the Preferred Securities to another Paying and Transfer Agent in a Member State of the European Union.

5. Continuing Guarantee

The obligations, undertakings, agreements and duties of the Bank under this Guarantee shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer; or

(b) the extension of time for the payment by the Issuer of all or any portion of the Preferred Dividends, any Optional Redemption Price, Liquidation Distributions or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities; or

(c) any failure, omission, delay or lack of diligence on the part of Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind; or

(d) the liquidation, dissolution, amalgamation, reconstruction, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganisation, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer; or

(e) any invalidity of, or defect or deficiency in, the Preferred Securities; or

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred.

There shall be no obligation on the Holders to give notice to, or obtain consent of, the Bank with respect to the happening of any of the foregoing.

6. Deposit of Guarantee

This Guarantee shall be deposited with and held by Deutsche Bank Aktiengesellschaft as Principal Paying and Transfer Agent until all the obligations of the Bank have been discharged in full. The Bank hereby acknowledges the right of every Holder to the production of, and the right of every Holder to obtain a copy of, this Guarantee.

It is specifically agreed that the place of performance of any and all obligations of the Bank under this Guarantee shall be London, England and consequently any and all payments of the Bank under this Guarantee shall be made out of bank accounts maintained with banks legally operating and situated in London, England.

7. Enforcement; rights of remedy

(a) A Holder may enforce this Guarantee directly against the Bank, and the Bank waives any right or remedy to require that any action be brought against the Issuer or any other person or entity before proceeding against the Bank. Subject to paragraph 8, all waivers contained in this Guarantee shall be without prejudice to the right to proceed against the Issuer. The Bank agrees that this Guarantee shall not be discharged except by payment of the Guarantee Payments in full and by complete performance of all obligations of the Bank under this Guarantee.

(b) Following a breach by the Bank of its payment obligations under this Guarantee, a Holder may petition for the winding-up of the Bank and claim in the liquidation of the Bank but no other remedy shall be available to the Holder.

(c) No Holder shall, following any breach by the Bank of any of its obligations under this Guarantee, be entitled to exercise any right of set-off or counterclaim which may be available to it against amounts owing by the Bank to such Holder. Notwithstanding the provisions of the foregoing sentence, if any of the said rights and claims of any Holder against the Bank is discharged by set-off, such Holder will immediately pay an amount equal to the amount of such discharge to the Bank or, in the event of its winding-up, the liquidator of the Bank and until such time as payment is made, will hold a sum equal to such amount in trust for the Bank or the liquidator of the Bank, as the case may be, and accordingly such discharge will be deemed not to have taken place.

(d) In the event of a winding-up of the Bank, if any payment or distribution of assets of the Bank of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Bank being subordinated to the payment of amounts owing under this Guarantee, shall be received by any Holders before the claims of Senior Creditors have been paid in full, such payment or distribution shall be held in trust by the Holder, as applicable, and shall be immediately returned by it to the liquidator of the Bank and in that event, the receipt by the liquidator shall be a good discharge to the relevant Holder. Thereupon, such payment or distribution will be deemed not to have been made or received.

8. Subrogation

The Bank shall be subrogated to any and all rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Bank under this Guarantee. The Bank shall not (except to the extent required by mandatory provisions of law) exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of a payment under this Guarantee, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee. If any amount with respect to the Preferred Securities shall be paid to the Bank in violation of the preceding sentence, the Bank agrees to pay over such amount to the Holders.

9. Status

(a) The Bank acknowledges that its obligations hereunder are several and independent of the obligations of the Issuer with respect to the Preferred Securities and that the Bank shall be liable as principal and sole debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee, notwithstanding the occurrence of any event referred to in paragraph 5.

(b) Subject to applicable law, the Bank agrees that the Bank's obligations hereunder constitute unsecured obligations of the Bank and rank and will at all times rank (i) junior to Senior Creditors, (ii) *pari passu* with the Parity Obligations, if any, of the Bank and (iii) senior to all Junior Obligations of the Bank.

10. Undertakings of the Bank

(a) The Bank undertakes that it will not issue any preferred securities or preference shares or enter into any contractual obligation in respect of securities or any other instrument or obligation which would qualify or be capable of qualifying as tier 1 capital of the Bank (a "Tier 1 Qualifying Obligation") which in any case would rank senior to its obligations under this Guarantee or give any guarantee or other support agreement or similar undertaking in respect of any Tier 1 Qualifying Obligation if such guarantee or other support agreement or similar undertaking would rank senior to its obligations under this Guarantee (including, without limitation, any guarantee or other support agreement or similar undertaking that would provide a priority of payment with respect to Distributable Funds) unless, in each case, (i) this Guarantee is changed to give the Holders such rights and entitlements as are contained in or attached to such Tier 1 Qualifying Obligation or such guarantee or other support agreement or similar undertaking with respect to a Tier 1 Qualifying Obligation so that this Guarantee ranks *pari passu* with, and contains substantially equivalent rights of priority as any such Tier 1 Qualifying Obligation or guarantee or other support agreement or similar undertaking with respect to a Tier 1 Qualifying Obligation and (ii) the most recent Preferred Dividend payment on the Preferred Securities has been paid in full either by the Issuer or by the Bank pursuant to this Guarantee.

(b) The Bank undertakes that any amount required to be paid pursuant to this Guarantee in respect of any Preferred Dividend payable in respect of the most recent Preferred Dividend Period will be paid before any payment or other distribution in respect of any dividends (except distributions in the form of Junior Obligations) upon Junior Obligations.

(c) The Bank undertakes that, if any Junior Obligations are redeemed, repurchased or otherwise acquired for any consideration (or any moneys are paid to or made available for a sinking fund for the redemption of any such Junior Obligations) by the Bank or any Subsidiary (except by conversion into or in exchange for other Junior Obligations), the Bank will procure that the Issuer will pay, or set aside payment with respect to, full Preferred Dividends on all outstanding Preferred Securities for four Preferred Dividend Periods contemporaneous with or following the date of such redemption, repurchase or other acquisition, unless: (1) such redemption, repurchase or other acquisition is effected in accordance with the provisions of Article 16 paragraphs 2(b) to (f) or paragraph 5 *et seq*. of Greek Codified Law 2190/1920; and (2) following such redemption, repurchase or other acquisition and any other measure taken by the Bank: (i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains above 8 per cent; and (ii) the ratio of "upper tier 1 capital" items of own funds (namely tier 1 capital excluding the Preferred Securities and similar instruments) to risk weighted assets or the Bank remains above 5 per cent. as required by Circular 21/2004 of the Bank of Greece as in force and amended or supplemented from time to time.

(d) The Bank undertakes to maintain the Issuer as a wholly-owned Subsidiary for so long as any Preferred Security remains outstanding. The Bank undertakes that, so long as any of the Preferred Securities is outstanding, unless the Bank of Greece has given its prior approval or unless the Bank is itself in liquidation, the Bank will not permit, or take any action to cause, the liquidation, dissolution or winding-up of the Issuer.

(e) The Bank undertakes to procure that the Issuer will maintain at all times whilst any of the Preferred Securities is outstanding, (i) for so long as the Preferred Securities are admitted to trading on a regulated market of any Stock Exchange, a Paying and Transfer Agent in such location as is required to maintain such admission, (ii) a Registrar having its office outside the United Kingdom and (iii) a Paying and Transfer Agent having its specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

11. Termination

With respect to the Preferred Securities, this Guarantee shall terminate and be of no further force and effect upon payment of the Optional Redemption Price in respect of each Preferred Security in cash or purchase and cancellation of all Preferred Securities then outstanding or full payment of the Liquidation Distributions and liquidation of the Issuer, provided however that this Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time payment of any sums paid under the Preferred Securities or this Guarantee must be restored by a Holder for any reason whatsoever.

12. Transfer

Subject to operation of law, all guarantees and agreements contained in this Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Bank and shall inure to the benefit of the Holders. The Bank shall not transfer its obligations hereunder without the prior written approval of the Holders of not less than two-thirds in liquidation preference of the outstanding Preferred Securities (excluding any Preferred Securities held by the Bank or any Subsidiary), or with the sanction of a resolution, passed in accordance with the provisions of the Issuer's Articles of Association for meetings of Holders by a majority of not less than two-thirds in liquidation preference of the Holders of the outstanding Preferred Securities, present or represented at a separate meeting at which the quorum shall be Holders present or represented holding at least one-third in liquidation preference of the outstanding Preferred Securities; provided, however, that the foregoing shall not preclude the Bank from merging or consolidating with, or transferring all or substantially all of its assets and liabilities to, a banking organisation organised under the laws of Greece or another European Union Member State, without obtaining any approval of such Holders.

13. Amendments

Except for those changes (a) required by paragraph 10(a) above, (b) which do not adversely affect the rights of Holders, or (c) necessary or desirable to give effect to any one or more transactions referred to in the proviso to paragraph 12 above (in any of which cases no agreement will be required), this Guarantee shall be changed only by agreement in writing signed by the Bank with the prior approval of the Holders of not less than two-thirds in liquidation preference of the outstanding Preferred Securities (excluding any Preferred Securities held by the Bank or any Subsidiary), or with the sanction of a resolution, passed in accordance with the provisions of the Issuer's Articles of Association for meetings of Holders by a majority of not less than two-thirds in liquidation preference of the Holders of the outstanding Preferred Securities, present or represented at a separate meeting at which the quorum shall be Holders present or represented holding at least one-third in liquidation preference of the outstanding Preferred Securities.

14. Notices

Any notice, request or other communication required or permitted to be given hereunder to the Bank shall be given in writing by delivering the same against receipt therefor or by facsimile transmission (confirmed by mail) addressed to the Bank, as follows (and if so given, shall be deemed given against receipt in the case of delivery or upon mailing of confirmation, if given by facsimile transmission), to:

EFG Eurobank Ergasias S.A.
8, Othonos Street
Athens 10557
Greece

Facsimile: + 30 210 3337 230

Attention: Head of Treasury Operations

The address of the Bank may be changed at any time and from time to time and shall be the most recent such address furnished in writing by the Bank to Deutsche Bank Aktiengesellschaft as Principal Paying and Transfer Agent.

Any notice, request or other communication required or permitted to be given hereunder to the Holders shall be given by the Bank in the same manner as notices sent by the Issuer to Holders.

15. Miscellaneous

(a) This Guarantee is solely for the benefit of the Holders and is not separately transferable from the Preferred Securities.

(b) The Bank will furnish any Holder, upon request of such Holder, with a copy of its annual report, and any interim reports made generally available by the Bank to holders of the ordinary shares of the Bank.

(c) The Bank hereby waives notice of acceptance of this Guarantee and of any liability to which it applies or may apply, presentment, demand for payment, protest, notice of non-payment, notice of dishonour, notice of redemption and all other notices and demands.

16. Governing Law and Jurisdiction

(a) This Guarantee shall be governed by, and construed in accordance with, English law save that paragraphs 3 and 9(b) shall be governed by, and construed in accordance with, Greek law.

(b) The Bank hereby irrevocably agrees for the benefit of the Holders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as “Proceedings”) may be brought in such courts.

(c) The Bank irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Bank and may be enforced in the courts of any other jurisdiction. Nothing contained in this paragraph shall limit any right to take Proceedings against the Bank in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdictions, whether concurrently or not.

(d) The Bank will receive service of process in respect of this Guarantee at EFG Eurobank Ergasias London Branch, 24 Grafton Street, London W1S 4EZ in respect of any Proceedings.

IN WITNESS WHEREOF this Guarantee has been manually executed as a deed poll on behalf of the Bank.

Executed as a deed by

acting by

in the presence of:

Witness’s signature

Name:

Address:

Dated [*date*]”

REASONS FOR THE OFFER AND USE OF PROCEEDS

The net proceeds of the issue of the Preferred Securities, which will be set out in the Final Terms, will be used by the Issuer to meet the general financing requirements of the Bank and its Subsidiaries.

EFG HELLAS FUNDING LIMITED

History

EFG Hellas Funding Limited (the "Issuer") was incorporated in Jersey on 4th March, 2005 for an unlimited duration and with limited liability under the laws of Jersey with registered number 89637.

The registered office of the Issuer is Whiteley Chambers, Don Street, St. Helier, Jersey JE4 9WG and its telephone number is +44 1534 504000. The Issuer has no place of business in Greece.

Business

The Issuer is a wholly-owned subsidiary of EFG Eurobank Ergasias S.A. (the "Bank"). The Issuer has no subsidiaries. It was formed to act as a general finance vehicle for the Group. It is accordingly dependent on the Bank paying interest on finance deposited with the Bank.

Capitalisation

(a) The existing issued ordinary shares of the Issuer are not listed on the London Stock Exchange or on any other stock exchange and are not dealt in on any other recognised market.

(b) The Issuer has an authorised share capital of €401,000,000 divided into 1,000,000 ordinary shares of €1 each and 400,000 Series A Non-cumulative Guaranteed Non-voting Preferred Securities of €1,000 each (the "Series A Preferred Securities"). Prior to the Closing Date, the Issuer intends to increase its authorised share capital to €1,001,000,000 divided into 1,000,000 ordinary shares of €1 each, 400,000 Series A Preferred Securities, 8,000 Series B Fixed to Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities of €50,000 each (the "Series B Preferred Securities") and 200,000 Series C Fixed Rate Non-cumulative Guaranteed Non-voting Preferred Securities of €1,000 each (the "Series C Preferred Securities").

At the date hereof 10,000 ordinary shares and €200,000,000 Series A Preferred Securities have been issued by the Issuer and are fully paid. The €200,000,000 Series A Preferred Securities were issued on 18th March, 2005 and are listed on the Luxembourg Stock Exchange and the Official Market of the Frankfurt Stock Exchange. The Series A Preferred Securities carry a non-cumulative preferred dividend of 6.75 per cent. per annum up until 18th March, 2007, after which time the non-cumulative preferred dividend will be the sum of the 10 year CMS mid-swap rate in EUR and 0.125 per cent. per annum, subject to a maximum rate of 8.00 per cent. per annum. Dividends on the Series A Preferred Securities may be declared by the directors of the Issuer in their sole discretion. Payment of preferred dividends are compulsory except that the directors of the Issuer are not required to declare a dividend on the Series A Preferred Securities in certain circumstances if, *inter alia*, in the opinion of the directors of the Bank payment of such preferred dividends would cause the Bank to breach certain Greek banking regulations. Holders of the Series A Preferred Securities are not, other than in certain specified circumstances, entitled to receive notice of or attend and vote at meetings of the shareholders of the Issuer. In the event of winding up, the holders of the Series A Preferred Securities are entitled to receive €1,000 per preferred security plus any accrued and unpaid preferred dividends. The Series A Preferred Securities are redeemable, in whole but not in part, at the option of the Issuer on 18th March, 2010 or any dividend payment date thereafter.

(c) The holders of the ordinary shares and of the Series A Preferred Securities of the Issuer have no rights of pre-emption or preferential subscription rights in respect of the Preferred Securities.

(d) No capital of the Issuer is under option or is agreed conditionally or unconditionally to be put under option.

Directors

The Directors of the Issuer and their principal activities outside the Issuer are as follows:

Name	*Function in the Issuer*	*Principal Activity Outside the Issuer*
Michael Lombardi	Director	Partner of Ogier & Le Masurier
Peter Gatehouse	Director	Director of Ogier SPV Services Limited
Nicholaos Karamouzis	Director	Deputy Chief Executive Officer, EFG Eurobank Ergasias S.A.
Yasmine Ralli	Director	Consultant to EFG Eurobank Ergasias S.A.
Fokion Karavias	Director	General Manager and Treasurer, EFG Eurobank Ergasias S.A.
Simon Jaquiss	Director	Treasurer, EFG Eurobank Ergasias London Branch
Julia Zavakos	Director	Head of Funding Origination, EFG Eurobank Ergasias S.A.

For the purpose of this Prospectus, the business address of each of the Directors is that of the Issuer's registered office.

There are no potential conflicts of interest between the duties to the Issuer of each of the members of the Board of Directors and his/her private interests or other duties.

The Issuer complies with the laws and regulations of Jersey regarding corporate governance.

The Directors do not, and it is not proposed that they will, have service contracts with the Issuer. No Director has entered into any transaction on behalf of the Issuer which is or was unusual in its nature of conditions or is or was significant to the business of the Issuer since its incorporation.

At the date of this Prospectus there were no loans granted or guarantees provided by the Issuer to any Director.

As at the date of this Prospectus, the Directors have not received, nor is it expected that they will receive, any remuneration for the provision of their services as directors of the Issuer. Michael Lombardi is a partner of Ogier & Le Masurier and Peter Gatehouse is a director of Ogier SPV Services Limited, both of which derive fees from the provision of legal and administrative services to the Issuer. Ogier & Le Masurier is associated with the Ogier Group Partnership, the owner of Ogier SPV Services Limited.

The Articles of Association of the Issuer provide that:

> Subject to the provisions of the Law, any Director may vote on any proposal, arrangement or contract in which he is materially interested provided he has disclosed the nature of his interest in it prior to its consideration and any vote thereon.
>
> The remuneration of the Directors shall from time to time be determined by ordinary resolution of the Issuer in general meeting.
>
> Subject to the provisions of the Articles of Association, a Director shall hold office until such time as he is removed from office by ordinary resolution of the Issuer in general meeting.

For purposes of the Issuer's Articles of Association, "Law" means the Companies (Jersey) Law, 1991, as the same may be amended from time to time.

Secretary

The Secretary of the Issuer is Ogier SPV Services Limited of Whiteley Chambers, Don Street, St. Helier, Jersey JE4 9WG.

Corporate Objects

Paragraph 2 of the Issuer's Memorandum of Association states that the Issuer shall have unrestricted corporate capacity.

General

PricewaterhouseCoopers CI LLP, of Twenty Two Colomberie, St. Helier, Jersey JE1 4XA have been appointed as auditors to the Issuer.

No dividends been declared or paid since the Issuer was incorporated.

No transactions have occurred since incorporation of the Issuer other than (i) the allotment of the shares and the preferred securities described under "Capitalisation" above, (ii) the issuance of €200,000,000 Series A Preferred Securities (as described above) and (iii) the execution of documentation in relation thereto and in relation to the Series B Preferred Securities and the Series C Preferred Securities.

The Issuer does not have an audit committee.

Selected Financial Information

The following selected financial information has been extracted without material adjustment from the non-consolidated financial statements of the Issuer in respect of the period from 4th March, 2005 to 30th September, 2005, prepared in accordance with International Financial Reporting Standards ("IFRS").

Profit and Loss Account for the period from 04 March 2005 to 30 September 2005

	Period from 04 March 2005 to 30 September 2005 €'000
Interest income and similar income	7,351
Interest expense and similar expenses	(7,340)
Result before taxation	11
Taxation on result	–
Net result after taxation	**11**

Balance Sheet

	30 September 2005 €'000
Non-current assets	
Held-to-maturity investments, net	204,368
Current Assets	
Cash at banks and short-term deposits	10
Total Assets	**204,378**
Non-current liabilities	
Preferred Securities	204,357
Shareholder's equity	
Ordinary shares	10
Retained earnings	11
Total equity	21
Total equity and liabilities	**204,378**

EFG EUROBANK ERGASIAS S.A.

Overview

EFG Eurobank Ergasias S.A. ("EFG Eurobank" or the "Bank") is the third largest bank in Greece in terms of assets, loans and deposits. EFG Eurobank's registered office is at 8 Othonos Street, Athens 10557, Greece and its telephone number is +30 210 333 7000.

EFG Eurobank operates in the retail banking, small and medium-sized enterprises ("SMEs"), investment banking, capital markets, private banking and asset management sectors, providing a wide range of banking and financial services to its individual and corporate clients. EFG Eurobank is also active in the wider financial services sector, with a presence in insurance, real estate and payroll services.

EFG Eurobank operates a distribution network that includes approximately 304 branches, 77 mini-branches, approximately 700 ATMs and telephone and electronic banking distribution channels. These provide EFG Eurobank with a nationwide distribution capability through which it offers an increasing array of products and services.

EFG Eurobank is part of the EFG Group, which consists of banks and financial services companies. The ultimate parent company is EFG Bank European Financial Group, a bank incorporated in Switzerland, which owns 41.3 per cent. of the shares in EFG Eurobank. The remainder of EFG Eurobank's shares are owned by private and institutional investors. All the voting power at general meetings of EFG Bank European Financial Group is held by Latsis family interests.

EFG Eurobank is a public company under Greek law, listed on the Athens Stock Exchange (the "ASE") since April 1999. It is subject to regulation and supervision by the Bank of Greece and, indirectly on a consolidated basis via the EFG Group, by the Federal Banking Commission of Switzerland. EFG Eurobank is also regulated by the Hellenic Capital Markets Commission.

History of EFG Eurobank

EFG Eurobank was incorporated in Greece on 11 December 1990 with a limited duration until 31 December 2100 under the name "Euromerchant Bank S.A.". It changed its name to "EFG Eurobank S.A." in 1997 when all the banks of the EFG Group were unified for marketing purposes under the ''EFG" brand-name. Following the 7 September 2000 merger with Ergobank, EFG Eurobank changed its name to "EFG Eurobank Ergasias S.A." EFG Eurobank is registered in the Company Registry of the Municipality of Athens under registration number 6068/06/B/86/07.

The financial services sector in Greece has undergone a period of significant deregulation, which commenced in the mid-1980s. In the context of the liberalisation of the Greek banking industry that had taken place by the end of 1990, EFG Eurobank was launched as a niche bank specialising in the merchant banking and private banking sectors in Greece. In this regard, EFG Eurobank concentrated on medium and large-sized enterprises, providing working capital facilities and trade finance services, and later, arranging syndicated loans and private placements of equity and debt, and advising upon and underwriting public offerings on ASE. EFG Eurobank's private banking and asset management activities also evolved, primarily supported by the expertise in these areas within the wider EFG Group.

With deregulation specifically targeted at retail lending in the mid-1990s, EFG Eurobank developed into a full-service bank with a focus on retail banking. In this context, EFG Eurobank commenced its expansion programme through its strategic acquisitions, which resulted in expansion of its then 7 branch network.

1990	Establishment of "Euromerchant Bank S.A.", specialising in investment and private banking services
1994	Acquisition of 75 per cent. of EFG Private Bank (Luxembourg) S.A.
1996	Acquisition of Interbank Greece S.A., with a network of 23 branches, from parent company Consolidated Eurofinance Holdings S.A. ("CEH")
1997	Eurobank – Interbank merger Acquisition of the branch network of Credit Lyonnais Grece S.A. Euromerchant Bank is renamed "EFG Eurobank S.A."
1998	Acquisition of a controlling stake in Bank of Athens CEH acquires 99.8 per cent. of Cretabank CEH and EFG Eurobank jointly acquire a stake of 18.4 per cent. in Ergobank Deutsche Bank acquires a 10 per cent. participation in EFG Eurobank
1999	Cretabank is transferred to EFG Eurobank EFG Eurobank – Bank of Athens merger through share exchange Initial Public Offering of EFG Eurobank shares and listing on the Athens Stock Exchange EFG Eurobank – Cretabank merger CEH acquires 50.1 per cent. in Ergobank following a public offering
2000	EFG Eurobank – Ergobank merger New entity is renamed "EFG Eurobank Ergasias S.A." Acquisition of a 19.25 per cent. participation in Banc Post S.A. Romania
2002	EFG Eurobank Ergasias – Telesis Investment Bank merger Participation in Banc Post Romania raised to 36.25 per cent. Acquisition of 50 per cent. in Alico/CEH Balkan Holdings leads to a 43 per cent. participation in Post Bank Bulgaria Announcement of intention to acquire listed closed-end funds Ergoinvest S.A. and Investment Development Fund S.A.
2003	Acquisition of a 68 per cent. controlling stake in Post Banka AD Serbia Merger through absorption of Ergoinvest S.A. by EFG Eurobank Ergasias Participation in Banc Post Romania raised to 53.25 per cent. Merger by absorption of Investment Development Fund S.A. by EFG Eurobank Ergasias Participation in Postbanka AD Serbia increased to 90.8 per cent., entity renamed "EFG Eurobank AG Beograd" Disposal of the Bank's stake held by Deutsche Bank. Participation of institutional investors raised to 22 per cent. of total Establishment of Euroline Retail Services (Romania) – 80 per cent. Eurobank Cards and 19.961 per cent. Banc Post Establishment of Eurocredit Retail Services (Cyprus) – 100 per cent. subsidiary of Eurobank Cards
2004	Participation in Post Bank Bulgaria raised to 96.74 per cent. through the acquisition of the remaining 50 per cent. of Alico/CEH Balkan Holdings Participation in EFG Eurobank Beograd AD raised to 93.54 per cent. Participation in Banc Post Romania raised to 55.3 per cent.

	Establishment of Euroline Retail Services AD (Serbia) – 100 per cent. subsidiary of Eurobank Cards
	Acquisition of INTERTRUST Mutual Fund Management Company
2005	Acquisition of Turkish HC Istanbul Holding A.S. – renamed "EFG Istanbul Holding A.S." ("EFG Istanbul Holding A.S." holds 100 per cent. of "EFG Istanbul Menkul Degerler A.S.")
	Acquisition of Attikis Kerdoos Ermis Brokerage Company
	Acquisition of Capital Securities S.A. in Romania
	Participation in Post Bank Bulgaria raised to 97.2 per cent.
	Participation in Banc Post Romania raised to 77.3 per cent. (including put option on the participations of the following companies: (a) 7.28 per cent. of European Bank for Reconstruction and Development (EBRD) and (b) 7.28 per cent. of International Financial Corporation (IFC), consolidated under IFRS).

Recent Developments

On 10th June, 2005 the management teams of the Bank and of closed-end investment company Greek Progress Fund S.A. announced their intention to merge. The absorption of the Greek Progress Fund by the Bank will be realised through the consolidation of the assets and liabilities of the two companies as at 13th July, 2005. The suggested share exchange ratio is 1 EFG Eurobank share for 7.9 Greek Progress Fund shares. Following the signing of the Draft Merger Agreement on 19th July, 2005, the merger is subject to ratification by the General Meetings of the Shareholders of both companies, as well as the required approvals by the relevant authorities. As at 30th June, 2005, the EFG Group held 48.4 per cent. of the shares in the Greek Progress Fund.

Strategy

The primary goal of EFG Eurobank is to be the bank of first choice in Greece and a strong regional player in order to create long-term value for its shareholders. To achieve this goal, EFG Eurobank maintains its customer focus, providing modern, flexible products and services that meet the constantly evolving needs of customers. The strategy of EFG Eurobank may be summarised as follows:

- emphasis on high-growth, high-margin market segments, such as retail banking, lending to small- and medium-sized enterprises, asset management and investment banking; and
- expansion of business model in selective countries of South Eastern Europe.

Banking Activities

The Bank's targeted client base includes retail clients, small and medium sized enterprises and companies, large corporations, high net worth individuals, private and institutional investors and the Greek Government.

Retail Banking

In Greece, liberalisation of the banking system and the recent rapid reduction of interest rates have stimulated the development of consumer credit, housing loans and small business start-ups.

EFG Eurobank's success in the Greek retail banking field is due to the innovative nature and the quality of its products, its initiative regarding alternative methods for rendering services and the provision of individualised client service. These competitive advantages have been gained with the support of state-of-the-art technological infrastructure, in which the Bank has made substantial investments over time, but mainly through the supremacy of EFG Eurobank's people in terms of know-how and productivity. The retail banking arm of EFG Eurobank is divided into the following product areas:

Consumer Lending – Loans and Credit Cards

EFG Eurobank is the leading consumer lending provider in the Greek market, according to aggregate statistics furnished by the Bank of Greece. The Bank holds the leading position in consumer finance with a 29 per cent. market share. Consumer finance services are offered through the branch network and EFG Eurobank's wholly-owned subsidiary, Eurobank Cards S.A. EFG Eurobank offers a variety of consumer finance solutions including revolving loans, amortised personal loans, consumer loans (vehicle and durable goods financing) and a wide range of credit card products (Visa, MasterCard, proprietary brand Euroline, co-branded, affinity, private label). EFG Eurobank's lending products rely on flexibility, service, speed and multiple channels of distribution. EFG Eurobank has developed affiliations with major retailers for the provision of "fast credit" to consumers who seek to purchase goods by opening credit on the spot at a given retailer's establishment. The retailers participating in EFG Eurobank's fast credit programme are able to fax or transfer via the internet consumer loan applications and information to EFG Eurobank's central credit centre and may receive approval in approximately 20 minutes for extending lines of credit, on behalf of EFG Eurobank. Loans and card applications are processed centrally, according to EFG Eurobank's approval procedure and credit policy. Facing consumer credit liberalisation, EFG Eurobank has in place advanced risk management tools in order to sustain and further enhance consumer portfolio quality. New rational relationship-based credit approval criteria incorporating total bank exposure, redefined risk thresholds, aggressive collections and legal/remedial management, as well as adequate provisioning, ensure predictable and sustainable earnings.

In line with EFG Eurobank's strategic international expansion, Eurobank Cards' successful business model is being replicated in South Eastern Europe. With fast growing, closely monitored consumer lending subsidiaries in Bulgaria, Romania, Serbia and Cyprus, EFG Eurobank is setting the foundation for profitable international expansion, establishing its position as a key market player in the region.

Mortgage Lending

EFG Eurobank is very active in mortgage lending, predominantly for residential real estate and, to a lesser extent, for commercial real estate of its corporate banking clients. EFG Eurobank began its mortgage lending activities in 1996. Since its inception, the mortgage lending business has been growing quickly. In mortgage financing Eurobank ranks third with a market share of 13 per cent., being quite close to the second position.

EFG Eurobank's range of mortgages spans a variety of fixed, variable and variable-fixed rate mortgages for maturities up to 30 years for residential mortgages and 10 years for commercial real estate. Mortgages may be prepaid subject to nominal penalties or refinanced. The Bank has its own team of specialist valuation experts under the supervision of EFG Eurobank Properties S.A., EFG Eurobank's real estate management subsidiary, that provides surveying services to prospective mortgage loan customers. The standard loan-to-value ratio with respect to EFG Eurobank's mortgage loans is up to 75 per cent. for residential properties and up to 65 per cent. for commercial properties. In some cases, the loan-to-value ratio may reach 100 per cent. The vast majority of mortgages give EFG Eurobank first lien over the relevant underlying property. Mortgage loans are not granted for development properties, which are generally dependent for a significant portion of their value on future payment streams and, therefore, represent a significantly higher credit risk than EFG Eurobank's residential and other commercial mortgage lending. As with its other lending processes, EFG Eurobank's mortgage loan approval and collection process is centralised and based on uniform criteria which take into account, among other factors, the source and size of repayment income, the employment, tax and credit history of the proposed borrower and the size of the loan relative to the commercial value of the property. EFG Eurobank's mortgage lending sector has had a strong record of non-default and timely payments.

Small Business and Professional Lending

EFG Eurobank was the first Greek bank to establish a Small Business Lending Unit, back in 1997 and actually enter this untapped market. Currently, it holds the leading position in the financing of small businesses with a market share in excess of 30 per cent. The target customer base comprises small commercial and service enterprises and self-employed professionals with annual turnover of up to €2.5 million. Products and services include revolving credit lines, amortising term loans, working capital facilities, financing of professional equipment and vehicles and mortgages for professional real estate. EFG Eurobank cross-sells other products and services, such as insurance, trade finance, letters of guarantee and point-of-sale (POS) services to its existing SBL clients.

Wealth Management

Mutual Funds

EFG Eurobank is the largest manager of mutual funds in Greece with a 34 per cent. market share and €10.5 billion AUM (assets under management). EFG Eurobank mutual funds have sustained their official rating by Standard & Poor's (S&P) for a third year in a row, and continue to be the only Greek mutual funds to receive a rating according to the international rating agency's high standards. EFG Eurobank's success in this field is attributed to the Bank's strategic decision to offer services that incorporate prudence and consistency in asset management by employing managers with experience and an in-depth knowledge of their respective fields, product innovation (including but not limited to products incorporating capital guarantees and/or high annual income), security and promptness in transactions and continuing investments both in technology as well as support and education schemes.

Insurance

In its life insurance business EFG Eurobank has become the second most significant operator in only five years of involvement in the sector by selling bancassurance products through its branch network. The EFG Group's subsidiary insurance companies, EFG Life and EFG Insurance, have sound portfolios and maintain increased reserves, while their investments outweigh their total insurance liabilities. Intrinsic value is positive both in terms of existing portfolio and new production. Return on investment is high, and the management of the investment portfolio is effected through Asset Liability Matching techniques, as well as through advanced hedging techniques, maximising return.

EFG Eurobank offers integrated insurance solutions to specialised corporate and private client needs, through its subsidiary, EFG Insurance Services, one of the largest insurance brokers in the Greek market. EFG Insurance Services performs thorough market research surveys, in order to propose the most appropriate and competitive solutions.

Asset Management

EFG Eurobank Asset Management is a specialised subsidiary of the Bank that provides asset management services for institutional and private clients, along with investment advisory services to institutional clients in the Greek market. As at the date hereof, EFG Eurobank Asset Management has established a strong market position, with funds under management of around €700 million.

Private Banking

EFG Eurobank has offered private banking services since its inception in 1990 and currently has one of the largest domestic private banking operations in Greece. The Bank holds the leading position in private banking in Greece, managing €5 billion worth of assets. EFG Eurobank's private banking operations cater for the savings, investment and credit needs of high net worth individuals, with a minimum investment of €300,000 in assets placed with EFG Eurobank. Domestically, there are ten independent private banking centres to cater specifically for the needs of its 5,000 private banking clients. EFG Eurobank's strategy is to ensure that it offers to its clients a comprehensive product portfolio, ranging from money market funds to more sophisticated products. Principal private banking services are international private banking, discretionary management and Europrofiles. The Bank offers also comprehensive "Total Wealth Management" facilities to its clients. It is the aim of Eurobank Private Banking to maintain the position of "trusted advisor" for its clients and to continuously upgrade its standards and quality of service, at par with international standards and similar to those provided by respected overseas houses.

Wholesale Banking

EFG Eurobank's activities for its business customers include traditional corporate banking products, leasing, factoring, syndicated loans, private placements of equity/debt and advisory services for mergers and acquisitions.

Large Corporates

This division of the Bank addresses the needs of customers with annual turnover greater than €25 million. EFG Eurobank's key products consist of short-term financing, factoring, forfeiting and offshore revolving credit facilities and term loans. Large corporates are served through the two corporate centres in Athens and Thessaloniki. The main objective of the Bank is to provide integrated services and specialised solutions to large corporate clients, catering to their credit, financial risk protection and investment management needs. Innovative products have been designed, combining long-term financing options, protection from interest and exchange rate risks and the use of bond/syndicated loans and leasing products. These are the financial solution packages ''Eurobank MELON", which include Business Support, Foreign Exchange Risk Management, Interest Rate Risk Management and Business Development products.

Shipping Finance

EFG Eurobank has a relatively small exposure to the Greek shipping market (two per cent. of its loan book). This is attributable to the constraints of international competition and to the very large average size of shipping loans, which carry more risk exposure than most corporate loans. EFG Eurobank's loans and advances to shipping companies are comprised predominantly of secured shipping financings. EFG Eurobank expects to continue to target shipping clients primarily operating in Greece.

Lending to Medium-sized Enterprises (ME Lending)

EFG Eurobank is particularly strong in the financing of medium-sized enterprises. These are companies with annual turnover between €2.5 million and €25 million. The Bank's target sectors are manufacturing, trade, services and handicrafts companies; key products are trade finance, overdrafts, hedging, letters of credit and the financial solution packages "Eurobank MELON". The network consists of 43 dedicated credit units called Business Centres, which support lending to medium enterprises.

Leasing Services

EFG Eurobank Ergasias Leasing has been active in the leasing industry for twelve years and has a leading position in the market. In each of the past four years it was ranked first among leasing companies, counting almost 5,500 clients throughout Greece. EFG Eurobank Ergasias Leasing provides a broad range of business leasing services, including leases for new and second-hand moveable capital equipment and the leasing of real estate property for business use (with a minimum duration of 10 years) and of commercial vehicles. Leasing activities are also targeted towards vendor leasing, such as providing lease-financing for vehicles and office equipment. EFG Eurobank has expanded its leasing activities in South Eastern Europe.

Factoring Services

EFG Eurobank offers factoring services through its subsidiary EFG Factors S.A., established in 2000. Products offered include forfeiting, reverse factoring and back-to-back factoring. In 2004, EFG Factors S.A. increased its market share by 3.5 per cent. to 27.6 per cent., consolidating its impressive presence in the market, with approximately 310 suppliers and the number of acquirers reaching almost 6,000.

Investment Banking and Capital Markets

EFG Eurobank provides directly and/or indirectly through its subsidiaries and affiliates, EFG Eurobank Securities S.A., EFG Telesis Finance S.A. (Telesis) and Global Finance S.A., a wide range of investment banking and capital markets services, including underwriting, private placements, corporate finance, brokerage, asset management, treasury, venture capital and research coverage in Greece. It also provides project financing services for large infrastructure works.

EFG Telesis Finance S.A. ("Telesis") is the leading underwriter in the field of IPOs and private placements in Greece and it has a leading position in debt capital markets in the field of syndicated and bond loan corporate financing.

In equity brokerage, EFG Eurobank Securities S.A. holds a dominant market position, with a market share close to 18 per cent. The company acts as a market maker in the listed futures and options on all Athens Exchange Indices (FTSE/ASE20, FTSE/MID40, EPSI50) as well as in single stock derivatives. EFG Eurobank Securities S.A. has extended its activities as a broker not only in the Greek market but also in the largest international derivatives markets (EUREX, CME, CBOT, etc.).

Global Markets and Treasury Activities

EFG Eurobank's treasury activities include foreign exchange, interest rate derivatives and bonds as well as liquidity management through its dealing rooms in Athens and London and the treasury division of its subsidiary banks in South Eastern Europe. The sales group is structured according to international standards and has desks covering a wide range of customers and products. Customers include institutional customers, both in Greece and in Europe, large and medium-sized corporates and shipping clients, as well as individual clients of the private banking and retail divisions of EFG Eurobank. EFG Eurobank's global markets division has developed capital markets and investment products geared to specific customer needs.

EFG Eurobank has a leading position among Hellenic Republic primary dealers in the primary and secondary Greek sovereign bond market. EFG Eurobank is also active in exchange-traded interest rate and bond derivatives on EUREX, as well as in bond trading through EuroMTS. The Global Markets Division maintains an active participation in trading Western European corporate bonds and South Eastern European sovereign bonds. At the same time through the dealing rooms of its subsidiary banks in Bulgaria, Romania and Serbia, EFG Eurobank is developing similar strengths in the primary and secondary trading of sovereign bonds.

The EFG Group has set strict trading limits on proprietary trading, which are monitored daily by the risk management division. Trading limits include counterparty exposure (according to credit risk assessment of each counterparty) as well as foreign country exposure limits and limits of concentrations of various maturities. Exposure concentration is controlled through exposure limits and a grading system for country exposures established by the Group Risk Unit. Market risk management guidelines include the close management of foreign exchange exposures and interest rate gaps in relation to EFG Eurobank's capital. EFG Eurobank has in place a risk management system to permit the use of value-at-risk models to monitor risk in addition to the existing limits.

Operations in South Eastern Europe

The international strategy of EFG Eurobank aims at establishing the Bank's leadership in South Eastern Europe, through the implementation of its successful domestic business model abroad, in a market of more than 50 million potential customers. The region shows substantial growth rates, which are expected to be sustained in the forthcoming years, since these countries are under transition to market economies, while some of them are poised for EU entry in the next expansion wave. Subsequent convergence is expected to cause further deregulation of individual sectors of the region's economy, and to stabilise political conditions in these countries, turning them into attractive destinations for new commercial activities and investment initiatives.

EFG Eurobank has already deployed major operations in three countries: Bulgaria, Romania, and Serbia-Montenegro. In all three countries, the Bank's expansion strategy has been based on low-cost acquisitions of local banks with extended branch networks. EFG Eurobank's strategy for expansion in these countries is based on three pillars: the export of products, services and Greek know-how in human resources management, the optimisation and development of distribution networks; and the consolidation and upgrading of local infrastructure in line with European banking standards.

Presently, EFG Eurobank holds 97.2 per cent. of Post Bank Bulgaria, 77.3 per cent. of Bancpost Romania and 93.5 per cent. of EFG Eurobank Beograd. EFG Eurobank intends to continue to expand its banking activities outside of Greece.

Distribution Channels

Branch Network

EFG Eurobank currently operates through approximately 304 branches. EFG Eurobank's branches are located throughout Greece, in all major cities and in many towns, covering the major population centres in Greece. In addition, there is an active branch in London, operating in the local market.

EFG Eurobank has adopted a multi-channel approach to branch banking whereby certain branches are developed to cater specifically for special market sectors, such as retail banking, private banking and business lending to SMEs.

EFG Eurobank views branch specialisation as a competitive advantage, allowing EFG Eurobank's clients to have access to customised services and assistance from bank employees who are trained to meet their particular requirements.

Open 24

EFG Eurobank also has a distribution network in Greece under the brand name "Open 24". Small window-service outlets, numbering 77, are located around supermarkets, shopping centres and other public areas throughout Greece, offering cash withdrawal transactions, promotional information regarding EFG Eurobank's consumer lending, mortgage lending, savings and mutual fund products, introductory guidance on internet banking, as well as the capability to service quickly certain types of credit card and loan applications. All approval processes for applications are centralised.

Risk Management

EFG Eurobank follows international best practices with a well-defined credit approval process, independent credit reviews and an overall effective risk management function. Segregation of duties dictates independence among staff responsible for the relationship, credit approval, disbursement and credit monitoring over the life of the loan or advance to customers. Executives of the EFG Group review EFG Eurobank's policies formally on an annual basis.

In the retail business, EFG Eurobank uses a credit scoring system. There are separate databases for consumer loans and credit cards, purchased from external providers and adapted to reflect EFG Eurobank's own experience. In the case of consumer credit, a credit scoring system has been in operation since 1997.

In mortgage lending, EFG Eurobank employs strict lending criteria, including centralised approval, independent appraisals and reasonable repayment schedules based upon the borrower's annual income. All valuations are performed by independent engineers and checked against values assessed by tax authorities. These tax valuations range from 20 per cent. to 50 per cent. below market value. Mortgage loan amounts are, on average, 75 per cent. of the market valuations, depending upon the independent appraisal and the borrower's wherewithal. Most properties are located in Athens or the surrounding region.

With respect to small business loans, credit approval is based on centralised approval guidelines, clear guidelines on collateral, working capital financing through assignment of credit card receivables and foreign currency lending on a fully collateralised basis. All credit proposals are signed by both the small business lending managing officer and the branch manager. Approval at the branch level is from €75,000 to €350,000 depending on the branch. For larger facilities, central approval is required.

In wholesale lending, greater use is made of financial analysis. As regards large corporations, liquidity and financial strength are evaluated and unanimous committee approval is required. Most credit facilities are short-term. Collateral in respect of such credit facilities consists mainly of post-dated cheques. For Business Centre customers (medium-sized enterprises) the approval authority at the Business Centre level is up to €400,000 depending upon the quality of the collateral and for larger facilities, central approval is required. Collateral in respect of loans to medium-sized enterprises consists of mortgages, post-dated cheques and bills of exchange. The maximum approval limit of the Central Credit Committee for Corporate and Shipping clients is €85 million on an unsecured basis plus €30 million on a fully secured basis, for a total of €115 million. Larger facilities must be approved by three Executive Risk Committee members. All ship finance facilities are secured by mortgage of a vessel, assignment of revenues and insurance proceeds, corporate guarantees and, in most cases, the personal guarantee of the principal.

The evaluation of the wholesale lending portfolio is based on a credit rating system. Under EFG Eurobank's risk rating system, wholesale borrowers are assigned designations of one out of nine risk categories, with the top four indicating satisfactory credit risks, the fifth category indicating that the borrower enters the watchlist (for potential creditworthiness problems), the categories from sixth to eighth indicating significant financial troubles or non-performing loans and the ninth relating to total loss loans.

Risk categories are assigned to borrowers based primarily upon the following criteria:

- viability of the business;
- financial results and structure of the borrower, based on indicators such as equity/debt ratio, liquidity and profitability ratios;
- quality of management; and
- industry sector prospects.

In anticipation of the Basel 2 guidelines, for wholesale credits, EFG Eurobank is adopting the credit rating methodology of Moody's Rating Advisor (MRA).

EFG Eurobank's credit exposure to each borrower is subject to detailed reviews. In particular, the Credit Control Sector performs aggregate field reviews. Each individual case is reviewed at least once a year and if it enters the watchlist, it is reviewed once at least every six months. Credit reviews include consideration of the customer's historical and forecast financial performance, balance sheet strength and cash flow, together with relevant local or industry trends and other external influences. These matters are considered in relation to the size, structure and maturity of the entire lending process.

EFG Eurobank Management Team

The Board of Directors of EFG Eurobank determines EFG Eurobank's guiding philosophy and strategy and sets its operational goals. At the Ordinary General Meeting on 5 April 2004, shareholders elected a new Board of Directors of EFG Eurobank for a term of three years, which term is renewable.

At the above Ordinary General Meeting two independent non-executive directors of the Board of Directors were also appointed in accordance with the provisions concerning corporate governance (L.3016/ 2002). On 5 April 2004, the Board of Directors approved the constitution of the Board of Directors into a body and the appointment of executive and non-executive members to the Board of Directors, in accordance with the above provisions concerning corporate governance. The above resolutions by the Ordinary General Meeting and the Board of Directors are ratified by the Ministry of Development.

Following the above, the Directors of EFG Eurobank, their respective positions and principal activities outside EFG Eurobank are as follows:

		Principal activities outside EFG Eurobank (31.12.2004)	
Name	*Position*	*Company*	*Position*
Xenofon K. Nikitas	Chairman (Executive Director)	–	–
George C. Gondicas	Honorary Chairman (Non-Executive Director)	Global Finance S.A.	Chairman
		Global Fund Management S.A.	Director
		Global Finance International Ltd	Director
		EFG Telesis Finance S.A.	Director
		Eurobank Cards S.A.	Director
Anna Maria Louisa J. Latsis	First Vice Chairman (Non-Executive Director)	SI Quadrilatere	Director
		Arima S.A	Director
		EFG Bank European Financial Group	Director
		Societe D'Etudes Technique & Economiques S.A.	Director
Lazaros D. Efraimoglou	Second Vice Chairman (Non-Executive Director)	Foundation of the Hellenic World	Chairman
		Ardittos T.C. Holding S.A.	Chairman & CEO
		Vivodi Telecommunications S.A.	Director
Nicholas C. Nanopoulos	Chief Executive Officer (Executive Director)	Eurobank Cards S.A.	First Vice Chairman
		S & B Industrial Minerals S.A.	Director
		EFG Private Bank (Luxembourg) S.A.	Director
		EFG Internet Services S.A.	Director
Byron N. Ballis	Deputy Chief Executive Officer (Executive Director)	EFG Mutual Funds Mgt. Co. S.A.	Chairman
		Eurobank Cards S.A.	Chairman
		EFG Eurolife Life Insurance S.A.	Chairman
		EFG Eurolife General Insurance S.A.	Chairman
		EFG Insurance Services S.A. of Insurance Brokerage	Chairman
		EFG Business Services S.A.	Director

Name	Position	Principal activities outside EFG Eurobank (31.12.2004) Company	Position
		EFG Internet Services S.A.	Director
		Open 24 S.A.	Director
		Unitfinance S.A.	Vice Chairman
		Tefin S.A.	Vice Chairman
Nicholaos V. Karamouzis	Deputy Chief Executive Officer (Executive Director)	EFG Telesis Finance S.A.	Chairman
		EFG Eurobank Securities S.A.	Chairman
		EFG Eurobank Asset Management S.A.	Vice Chairman
		EFG Hellas Plc	Director
		EFG Hellas (Cayman Islands) Ltd	Director
		EFG Private Bank (Luxembourg) S.A.	Director
		Global Finance S.A.	Director
		Global Fund Management S.A.	Director
		Baring Hellenic Financial Investment	Director
		Kantor Management Consultants	Director
		Hellenic Exchanges Holding S.A.	Director
		Federation of Greek Industries	Director
Stamos P. Fafalios	Independent Non-Executive Director	Nea Tyhi S.A.	Chairman
Panagiotis K. Lambropoulos	Independent Non Executive Director	–	–
Fotis S. Antonatos	Non-Executive Director	Butler Controls S.A.	Director
		Consolidated Lamda Holdings S.A.	Director
		EFG Consolidated Holdings S.A.	Director
		EFG Eurofinanciére d'Investissements S.A.M.	Director
		EFG Exchange Holdings Limited	Director
		General Construction & Development Holdings S.A.	Director
		Interlatsco Luxembourg S.A.	Director
		Ile de France Investissements S.A.	Director
		Investissements Immobiliers Kirchberg S.A.	Director
		Lamda Development S.A.	Director
		Latsco Shipping Limited	Director
		Matela Offshore Ltd	Director
		Paneuropean Oil & Industrial Holdings S.A.	Director
		Paneuropean Oil Holdings S.A.	Director
		POIH Holdings Limited	Director
		PrivatAir Holding S.A.	Director
		PrivatAir S.A.	Director
		Private Financial Investments Holding Limited	Director
		SI Quadrilatere S.A.	Director
		Stapleford Insurance Company	Director
		Terrebourne Financial and Investment Corporation S.A.	Director
		Unidale Investments Limited	Director
		Vendome Overseas Investments S.A.	Director
		Wimbledow International S.A.	Director

		Principal activities outside EFG Eurobank (31.12.2004)	
Name	*Position*	*Company*	*Position*
Emmanuel L. Bussetil	Non-Executive Director	Consolidated Lamda Holdings S.A.	Director
		EFG Asset Management Limited	Director
		EFG Consolidated Holdings S.A.	Director
		EFG Corporate Finance Limited	Director
		EFG Eurofinanciere d'Investissements SAM	Director
		EFG Exchange Holdings Limited	Director
		EFG Private Bank Limited	Director
		EFG Bank S.A. (ex. EFG Private Bank S.A.)	Director
		European Financial Group Limited	Director
		General Constructions & Development Holdings S.A.	Director
		Goodwater Limited	Director
		Hayward Investments Limited	Director
		Ile de France Investissements S.A.	Director
		Lamda Development S.A.	Director
		Latsco Shipping Limited	Director
		Matela Offshore Ltd	Director
		Ora Holdings Limited	Director
		Paneuropean Oil & Industrial Holdings S.A.	Director
		Paneuropean Oil Holdings S.A.	Director
		POIH Holdings Limited	Director
		PrivatAir Holding S.A.	Director
		Private Financial Holdings Limited	Director
		Private Financial Investments Holding Limited	Director
		PrivatSea Holding S.A.	Director
		Rosemead Finance Limited	Director
		St Catherine Foundation	Director
		Stapleford Insurance Company	Director
		Terrebourne Financial and Investment Corporation S.A.	Director
		Tierralta Holdings Corp.	Director
		Vendome Overseas Investments S.A.	Director
		Wimbledow International S.A.	Director
Antonios G. Bibas	Non-Executive Director	Greek Progress Fund	Chairman
		ELANET S.A.	Director
Dr. Spiros J. Latsis	Non-Executive Director	Consolidated Lamda Holdings S.A.	Director
		EFG Bank European Financial Group	Chairman
		Paneuropean Oil & Industrial Holdings S.A.	Director
		PrivatSea Holding S.A.	Director
		Societe d'Etudes Techniques et Economiques S.A.	Director
		EFG Bank S.A.	Director
		EFG Consolidated Holdings S.A	Director
		EFG Eurofinanciere d' Investissements SAM	Director
		EFG Private Bank Limited	Director
		Investissements Immobiliers Kirchberg S.A.	Director
		POIH Holdings Limited	Director
		Private Financial Holdings Limited	Director

		Principal activities outside EFG Eurobank (31.12.2004)	
Name	*Position*	*Company*	*Position*
		Private Financial Investments Holdings Limited	Director
		SGI- IC	Director
Pericles Petalas	Non-Executive Director	EFG Private Bank Limited	Director
		EFG Private Bank S.A., Zurich	Director
		EFG Private Bank (Luxembourg) S.A.	Director
		Private Financial Holdings Limited	Director
		Private Financial Investments Holdings Limited	Director
		EFG Consolidated Holdings S.A.	Director
		EFG Exchange Holdings Limited	Director
		Terrebourne Financial and Investment Corporation S.A.	Director
		EFG Investments (Guernsey) Limited	Director
		EFG Asset Management S.A.	Director
		Air Universal Ltd, BVI	Director
		St Catherine Foundation	Director
		European Financial Group EFG	Chairman
		EFG Representative Office Limited	Chairman
		Fondation du Centre Orthodoxe du Patriarcat Oecuménique	Director
		EFG Investment Bank AB	Director
Haralambos M. Kyrkos	Executive Director	EFG Eurobank Ergasias Leasing S.A.	Director
		EFG Eurobank Properties S.A.	Chairman
		Bancpost S.A.	Director
		Hellas on Line S.A.	Chairman
		Be–Business Exchanges S.A.	Chairman
		Eurobank Property Services S.A. (ex-Kydon)	Chairman
		Zenon Real Estate S.A.	Chairman
		ELDEPA S.A.	Chairman
Nicholas K. Pavlides	Executive Director	Open 24 S.A.	Director
		EFG Internet Services S.A.	Chairman
		Hellas on Line S.A.	Vice Chairman
		Logic-Dis	Director

The business address of each member of the Board of Directors of EFG Eurobank is 8 Othonos Street, Athens 10557, Greece.

The Board of Directors of EFG Eurobank has delegated management powers to an Executive Committee. The current members of the Executive Committee, their respective positions and principal activities outside EFG Eurobank are as follows:

		Principal activities outside EFG Eurobank (31.12.2004)	
Name	*Position*	*Company*	*Position*
Nicholas C. Nanopoulos	Chairman	As shown above	
Byron N. Ballis	Member	As shown above	
Nicholaos V. Karamouzis	Member	As shown above	

		Principal activities outside EFG Eurobank (31.12.2004)	
Name	*Position*	*Company*	*Position*
George N. Alvertis	Member	EFG Eurobank Cards S.A.	CEO
		EFG Eurolife General Insurance S.A.	Director
		EFG Eurolife Life Insurance S.A.	Director
		Be-Business Exchanges S.A.	Director
		EFG Internet S.A.	Director
		Bancpost S.A.	Director
		EFG Eurobank AD BEOGRAD	Director
		OPEN 24 S.A.	Chairman
		Bulgarian Retail Services A.D.	Vice Chairman
		Euroline Retail Services A.D.	Chairman
		EuroCredit Retail Services Ltd	Director
		Euroline Retail Services S.A.	Chairman
		Visa Hellas S.A.	Director
		Europay / MasterCard	Director
		Unitfinance S.A.	Director
		Tefin S.A.	Director
		Cardlink S.A.	Director
Thimios Bouloutas	Member	EFG Asset Management Limited	Director
		EFG Private Bank Luxemburg S.A.	Director
		EFG Eurobank Asset Management S.A.	Director
Paula N. Hadjisotiriou	Member	EFG Eurobank Cards S.A.	Director
		Logic Data Information Systems A.E.	Director
Fokion Karavias	Member	EFG Eurobank Asset Management S.A.	Director
		EFG Telesis Finance S.A	Director
		EFG Hellas PLC	Director
		EFG Hellas (Cayman Islands) Limited	Director
Evangelos Kavvalos	Member	Open 24 S.A.	Vice Chairman
		EFG Eurobank Ergasias Leasing S.A.	Director
		EFG Factors S.A.	Director
		EFG Eurolife General Insurance S.A.	Director
Haralambos M. Kyrkos	Member	As shown above	
George Marinos	Member	Sofitel S.A.	Director
		EFG Factors S.A.	Director
		EFG Eurobank Ergasias Leasing S.A.	Vice Chairman
Nicholas K. Pavlides	Member	As shown above	
Michalis Vlastarakis	Member	EFG Mutual Funds Mgt. Co. S.A.	Director
		EFG Business Services S.A.	Director
		EFG Eurolife Life Insurance S.A.	Director
		EFG Eurolife General Insurance S.A.	Director
		EFG Eurobank AD BEOGRAD	Director
		Bulgarian Postbank A.D.	Director

The business address of each member of the Executive Committee of EFG Eurobank is 8 Othonos Street, Athens 10557, Greece.

There are no potential conflicts of interest between the duties to EFG Eurobank of each of the members of the Board of Directors and the members of the Executive Committee listed above and his/her private interests or other duties.

The management team has experience of successfully managing mergers and turning the merging banks into integrated banking units. EFG Eurobank's management team is successful in implementing cost control initiatives and in managing credit portfolios through business cycles while simultaneously focusing on customer service excellence.

Subsidiaries and Affiliates

In its effort to provide its clients with an active and competitive presence in all categories of financial products and services, EFG Eurobank has established specialised subsidiaries and forged alliances with other organisations for the joint development and distribution of products.

The shares in subsidiary undertakings held by EFG Eurobank as at 30 June 2005 are shown below:

Subsidiary Undertakings	*%*	*Country of Incorporation*	*Category of Business*
EFG Private Bank (Luxembourg) S.A.	75.0	Luxembourg	Financial institution
EFG Eurobank Ergasias Leasing S.A.	100.0	Greece	Leasing
EFG Eurobank Securities S.A	100.0	Greece	Capital markets and investment services
Eurobank Cards S.A.	100.0	Greece	Credit card management
EFG Mutual Funds Mgt. Co. S.A.	87.5	Greece	Mutual fund management
Aristolux Investment Fund Management Company S.A.*	73.8	Luxembourg	Fund management
Intertrust Mutual Funds Mgt. Co. S.A.	100.0	Greece	Mutual fund management
EFG Hellas PLC	100.0	United Kingdom	Special purpose financing vehicle
EFG Hellas (Cayman Islands) Limited	100.0	Cayman Islands	Special purpose financing vehicle
EFG Factors S.A.	100.0	Greece	Factoring
EFG Telesis Finance S.A.	100.0	Greece	Investment banking
EFG Business Services S.A.	100.0	Greece	Payroll and advisory services
EFG Eurobank Properties S.A.	50.1	Greece	Real estate services
EFG Insurance Services S.A. of Insurance Brokerage	100.0	Greece	Insurance brokerage
EFG Eurolife Life Insurance S.A.	100.0	Greece	Insurance services
EFG Eurolife General Insurance S.A.	100.0	Greece	Insurance services
EFG Eurobank Ergasias International (C.I.) Ltd	100.0	Channel Islands	Off shore banking
EFG Autorental S.A.	100.0	Greece	Vehicle leasing and hire
OPEN 24 S.A.	100.0	Greece	Sundry services
Be-Business Exchanges S.A.	71.04	Greece	Business to business electronic commerce
EFG Internet Services S.A.	100.0	Greece	Internet and electronic banking
ELDEPA S.A.	50.1	Greece	Property rental
EFG Eurobank Asset Management S.A.	100.0	Greece	Asset management
Bancpost S.A.	77.3	Romania	Financial institution
Bulgarian Retail Services A.D.	100.0	Bulgaria	Credit card management
Hellas on Line S.A.	100.0	Greece	Internet and telecom services
EFG Eurobank AD BEOGRAD	93.5	Serbia & Montenegro	Financial institution

Subsidiary Undertakings	*%*	*Country of Incorporation*	*Category of Business*
CEH/Balkan Holdings Limited	100.0	Cyprus	Holding company
Bulgarian Post Bank AD	97.2	Bulgaria	Financial institution
Berberis Investments Ltd	100.0	Channel Islands	Holding company
Eurocredit Retail Services Ltd	100.0	Cyprus	Credit card management
Euroline Retail Services A.D.	100.0	Serbia & Montenegro	Credit card management
Euroline Retail Service S.A.	95.4	Romania	Credit card management
EFG Leasing E.A.D.	100.0	Bulgaria	Leasing
Eurobank Property Services S.A.	100.0	Greece	Commercial property business
EFG Hellas Funding Limited	100.0	Channel Islands	Special purpose vehicle
EFG Auto Leasing E.O.O.D.	100.0	Bulgaria	Leasing
ATTICA HERMES SECURITIES S.A.	100.0	Greece	Capital markets and investment services
EFG Istanbul Holding AS	100.0	Turkey	Holding company corporate finance activities
EFG Istanbul Menkul Degerler AS	100.0	Turkey	Equity trading
EFG Eurobank Leasing S.A.	100.0	Romania	Financial leasing
Capital S.A.	100.0	Romania	Holding company
Capital Securities S.A.	100.0	Romania	Financial services
EFG Property Services S.A.	80.0	Romania	Real estate services
Themeleion Mortgage Finance plc	0	United Kingdom	Special purpose financing vehicle
Themeleion II Mortgage Finance plc	0	United Kingdom	Special purpose financing vehicle

Notes:

* Not consolidated due to the immateriality of the company's figures

Associates are accounted for in the consolidated financial statements using the equity method of accounting. Shown below are the principal associates of EFG Eurobank as at 30 June 2005:

Subsidiary Undertakings	*%*	*Country of Incorporation*	*Category of Business*
TEFIN S.A.	50.0	Greece	Motor vehicle sales financing
ZENON REAL ESTATE S.A.	25.0	Greece	Property rental business
Sofitel S.A.	20.2	Greece	Hotelier
Unitfinance S.A.	40.0	Greece	Financing company
Global Finance S.A.	49.9	Greece	Financing company
Global Fund Management S.A.	44.4	Greece	Investment advisors
Greek Progress Fund S.A.	48.4	Greece	Closed–End Fund
DIAS S.A. Investment Company	37.2	Greece	Closed–End Fund
Cardlink S.A.	50.0	Greece	Management of automated transaction processes
Logic Data Information Systems S.A.	29.1	Greece	Information Technology

Nature of EFG Bank European Financial Group's control over EFG Eurobank

EFG Eurobank and its material subsidiaries have been fully consolidated on the basis that the EFG Group exercises control over the Board of Directors, management, policies and strategies of EFG Eurobank. There are no shareholder agreements or any other similar arrangements in place governing the exercise of EFG Bank European Financial Group's control over EFG Eurobank.

There are no arrangements existing or planned that would lead to a change in control of EFG Eurobank.

Legal Matters

In the ordinary course of business, EFG Eurobank usually has, at any particular time, a number of legal and other proceedings in which EFG Eurobank or its subsidiaries are involved. Certain of these actions allege damages in large amounts. It is not possible for EFG Eurobank to know or predict with certainty the ultimate outcomes of the actions pending. However, EFG Eurobank believes that none of these actions, if adversely determined, would, individually or in the aggregate, have a material adverse effect on its financial position.

REGULATION AND SUPERVISION OF BANKING IN THE HELLENIC REPUBLIC

The Bank of Greece, a member of the European Central Bank and of the European System of Central Banks, is the central bank in the Hellenic Republic. It is responsible for the licensing and supervision of credit institutions in the Hellenic Republic, in accordance with Law 2076/1992 arid Mandatory Law 1665/1951 (*Licensing, operations and supervision of credit institutions*), Law 2832/2000 (*Deposit Guarantee Fund*), Law 2331/1995 (*Anti-money laundering*) and other relevant laws of the Hellenic Republic, each as amended. It also has regulatory power in connection with the operations and supervision of credit institutions in the Hellenic Republic, by virtue of Law 1266/1982 (as amended and supplemented).

The principal objectives of the banking laws and regulations in the Hellenic Republic are the protection of depositors, the fulfilment of monetary policy objectives and the orderly distribution of credit. The EU Council's main directives on regulation of credit institutions have been adopted under Greek law, including:

(i) The first (77/780/EEC) and second (89/646/EEC) Directives and their successive amendments (including Directive 2000/12/EEC of the EU Parliament and of the Council) on the co-ordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions, which were implemented by Greek law 2076/01.08.1992;

(ii) the Own Funds Directive (EU Council Directive 89/299), which defines a credit institution's regulatory capital and was adopted under Greek law pursuant to Act No. 2053/18.03.1992 of the Governor of the Bank of Greece;

(iii) the Solvency Ratio Directive (EU Council Directive 89/647) and the amendments thereto which were adopted under Greek law pursuant to Act No. 2054/18.03.1992 amended by Acts No. 2479/27.08.2001 and No. 2512/30.12.2002 of the Governor of the Bank of Greece, as supplemented and codified by Act No. 2524/23.7.2003 of the Governor of the Bank of Greece and as further amended by Act No. 2564/11.10.2005 of the Governor of the Bank of Greece;

(iv) the Large Exposures Directive (EU Council Directive 92/121) on the supervision and monitoring of large exposures of credit institutions, which was adopted under Greek law pursuant to Act No. 2246/16.09.1993 of the Governor of the Bank of Greece;

(v) the Second Consolidated Supervision Directive (EU Council Directive 92/30) on the supervision of credit institutions on a consolidated basis (amending the First Consolidated Supervision Directive) which was implemented by Presidential Decree 267/1995; and

(vi) the Capital Adequacy Directive (EU Council Directive 93/6) and the amendments thereto (EU Council Directive 98/31), which were fully implemented by Greek Laws 2396/1996, 2937/2001 and Acts No. 2397/07.11.1996 and No. 2494/27.05.2002 of the Governor of the Bank of Greece.

In addition to the above, credit institutions are obliged to observe the liquidity ratios prescribed by the Bank of Greece (Act No. 2560/1.4.2005 of the Governor of the Bank of Greece), to maintain efficient internal audit, compliance and risk management systems and procedures, submit to the Bank of Greece periodical reports and statements and provide it with such further information as it may require, and (in connection with certain operations or activities) make notifications to or request the prior approval (as the case may be) of the Bank of Greece, in each case in accordance with the applicable laws of the Hellenic Republic and the relevant Acts, Decisions and Circulars of the Bank of Greece (each as in force from time to time).

The Bank of Greece has the power to conduct audit and inspect the books and records of credit institutions. In case of breach, the Bank of Greece is empowered to require the relevant credit institution to take appropriate measures to remedy the breach, impose fines, appoint an administrator and finally (where the breach cannot be remedied or in case of insolvency) revoke the licence of the credit institution and place it into special liquidation under its supervision. In case of insufficient liquidity of a credit institution, the Bank of Greece may order a mandatory extension of its due and payable obligations for a period not exceeding two months (which can be extended for a further one-month period) and appoint an administrator under its supervision.

To prepare for the Hellenic Republic's participation in the European Monetary Union, significant changes were made to the regulatory framework of the Bank of Greece. In particular, its statutes were amended to reinforce the central bank's independence from the Hellenic Republic and to recognise the legal integration of the Bank of Greece into the European System of Central Banks.

TAXATION

General

The summaries below are of a general nature based on current law and practice in each jurisdiction referred to. They relate only to the position of persons who are the owners of their Preferred Securities and may not apply to certain classes of persons such as dealers. These summaries do not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Any Holders who are in doubt as to their personal tax position should consult their professional advisers.

Prospective purchasers of Preferred Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Preferred Securities, including the effect of any state or local taxes, under the tax laws of Jersey, Greece and each country of which they are residents.

Greek Tax

Under Greek tax laws as of the date hereof, no Greek withholding tax shall be imposed on payments of the par value or Preferred Dividends from the Issuer in respect of the Preferred Securities, should the Holder of such Preferred Securities not be a resident of Greece for tax purposes.

Given that the Preferred Securities constitute hybrid securities, under Greek tax laws as of the date hereof and to the extent that the Preferred Securities should be considered to constitute equity, then, in relation to payments made by the Bank under the Guarantee, which payments represent Preferred Dividends deriving from the Preferred Securities, then: (i) a withholding tax of 20 per cent., which does not exhaust the tax liability of the Holder but can be set off, as the case may be, against any further income tax liability of the Holder, shall be imposed on Holders who are tax resident in Greece and on Holders who maintain, for tax purposes, a permanent establishment in Greece; (ii) a withholding tax of 35 per cent., which represents the entire tax liability of a Holder, shall be imposed on Holders who are enterprises i.e. companies or legal entities and who are not resident in Greece and do not maintain a permanent establishment in Greece; and (iii) a withholding tax of 20 per cent. shall be imposed on Holders who are natural persons not Greek residents. Payments made by a Paying and Transfer Agent located in Greece to Holders non-resident in Greece for tax purposes and not maintaining a permanent establishment in Greece are not taxable in Greece nor is any withholding tax applicable.

Should, however, the Preferred Securities be considered to constitute bonds or notes, no Greek withholding tax shall be imposed on payments representing Preferred Dividends.

Notwithstanding the above, payments of Preferred Dividends effected outside Greece shall not be subject to any Greek withholding tax. Payments of Preferred Dividends effected through clearing systems to non-Greek tax residents are not subject to any Greek withholding tax.

However, if a Holder is a resident of a country with which Greece has executed a bilateral treaty for the avoidance of double taxation, then the provisions of such bilateral treaty shall prevail over the provisions of internal Greek tax laws and shall apply, provided that such Holder presents a “tax residence certificate” issued at a date not later than one year before such certificate is presented.

Jersey Tax

General Issues

The Issuer has obtained “exempt company” status within the meaning of Article 123A of the Income Tax (Jersey) Law, 1961, as amended, for the calendar year ending 31st December, 2005. The Issuer will be required to pay an annual exempt company charge which is currently £600 in respect of each subsequent calendar year during which it wishes to continue to have "exempt company" status. The retention of "exempt company" status is conditional upon and subject to the Comptroller of Income Tax in Jersey being satisfied that no Jersey resident has a beneficial interest in the Issuer, except as permitted by the Comptroller of Income Tax.

As an "exempt company" the Issuer will not be liable to Jersey income tax other than on Jersey source income (except by concession bank deposit interest on Jersey bank accounts). For so long as the Issuer is an "exempt company", payments in respect of the Preferred Securities will not be subject to taxation in Jersey (unless the Holder is resident in Jersey) and no withholding in respect of taxation will be required on any such payment made to a Holder.

Under current Jersey law there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue or transfer of Preferred Securities. In the event of the death of an individual sole Holder, duty at rates of up to 0.75 per cent. of the value of the Preferred Securities held may be payable on the registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with Preferred Securities held by the deceased individual Holder.

European Union Directive on the Taxation of Savings Income (Directive 2003/48/EC) – Jersey

Jersey is not part of the EU and is not subject to the EU Savings Tax Directive or other EU fiscal legislation. However, in keeping with Jersey's policy of constructive international engagement (and in line with steps taken by other relevant third countries) the Island has now entered into various agreements regarding the European Union directive on the taxation of savings income in the form of interest payments (the "EU Savings Tax Directive").

The States of Jersey have introduced a system which permits, either:

- the disclosure of information concerning details of payments of interest (or other similar payments) and the identity of an individual beneficial owner of the interest to the tax authority of the EU jurisdiction where the owner of the interest payment is resident; or
- the imposition of a retention or withholding tax in respect of payments of interest (or other similar income) made to an individual beneficial owner resident in an EU member state by a paying agent situate in Jersey or an EU member state.

(The terms "beneficial owner" and "paying agent" are defined in the bilateral agreements entered into between Jersey and each of the EU member states relating to the treatment of savings income.)

Where the Issuer has appointed a paying agent located outside Jersey, the Issuer is not required to make any disclosures or levy retention tax. However, the rules applicable in the jurisdiction where the paying agent is located will apply.

The retention tax system will apply for an initial transitional period during which tax would be retained from such payments, instead of communicating the details of such payments to the tax authorities of the EU member state in which the individual beneficial owner is resident (the transitional period is prior to the implementation of a system of automatic communication among all EU member states of information regarding interest payments).

The requirements in respect of information disclosure or retention tax will not apply to companies, partnerships or to most types of trusts, nor will they apply to individuals who are resident outside the EU.

European Union Code of Conduct on Business Taxation – Jersey

On 3rd June, 2003, the Council reached political agreement on certain issues relating to its Code of Conduct on Business Taxation. Jersey is not a member of the EU and is not subject to EU fiscal legislation but is a dependent territory of the United Kingdom. The Policy and Resources

Committee of the States of Jersey has announced that, in keeping with Jersey's policy of constructive international engagement, it intends to propose legislation to replace the Jersey exempt company regime by the end of 2008 with a general zero rate of corporate tax.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

SUBSCRIPTION AND SALE

ABN AMRO Bank N.V. of 250 Bishopsgate, London EC2M 4AA, BNP PARIBAS of 10 Harewood Avenue, London NW1 6AA and Lehman Brothers International (Europe) of 25 Bank Street, London E14 5LE, together with any other banks and financial institutions specified in the Final Terms (together, the "Managers") have pursuant to a Subscription Agreement (the "Subscription Agreement") expected to be dated on or about the date of publication of the Final Terms, jointly and severally agreed to subscribe for the Preferred Securities at the issue price of 100 per cent. of the principal amount of the Preferred Securities. In addition, the Issuer has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Preferred Securities and has agreed to pay the Managers the commission specified in the Final Terms. The Subscription Agreement may be terminated in certain circumstances prior to payment of the proceeds of the issue to the Issuer.

The Issuer will only offer and allot the Preferred Securities to the Managers.

The aggregate nominal amount of the issue will be set out in the Final Terms to be published on the date on which the Subscription Agreement is entered into. Copies of the Final Terms will be available as described under "General Information".

The Preferred Securities are a new series and carry no pre-emption rights.

United States

The Preferred Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Preferred Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Preferred Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Preferred Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Preferred Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Preferred Securities to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Preferred Securities to the public in that Relevant Member State at any time:

(a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Preferred Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Preferred Securities to the public" in relation to any Preferred Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Preferred Securities to be offered so as to enable an investor to decide to purchase or subscribe the Preferred Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Preferred Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or, in the case of the Bank, would not, if it was not an authorised person, apply to the Bank; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Preferred Securities in, from or otherwise involving the United Kingdom.

Jersey

Each Manager has agreed that the Preferred Securities may not be offered to, sold to or held by, or for the account of persons (other than financial institutions) resident for income tax purposes in Jersey.

General

Persons into whose hands this Prospectus comes are required by the Issuer, the Bank and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Preferred Securities or have in their possession or distribute such offering material, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The issue of the Preferred Securities was duly authorised by a resolution of the Board of Directors of the Issuer dated 24th October, 2005 and the giving of the Guarantee was duly authorised by a resolution of the Board of Directors of the Bank dated 22nd September, 2005.

Listing

2. Application has been made to the UK Listing Authority for the Preferred Securities to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange for the Preferred Securities to be admitted to trading on the Market.

   It is expected that listing and admission to trading will take place on or about the Closing Date, subject to issue of the Global Certificate.

   Applications will also be made to the Frankfurt Stock Exchange for the Preferred Securities to be admitted to trading on the Frankfurt Stock Exchange and to Euronext Amsterdam for the Preferred Securities to be admitted to trading on Eurolist by Euronext Amsterdam.

Clearing Systems

3. The Preferred Securities have been accepted for clearance through Clearstream Banking Frankfurt, Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

   The ISIN for this issue, the Common Code and the German Security Code (WKN) will be set out in the Final Terms.

   The address of Clearstream Banking Frankfurt is 60485 Frankfurt am Main, Germany, the address of Euroclear is 1 Boulevard du Roi Albert III, B-1210 Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

No adverse change

4. There has been no material adverse change in the prospects of the Issuer since 4th March, 2005, the date of its incorporation.

   There has been no significant change in the financial or trading position of the Issuer since 30th September, 2005, the last day of the period in respect of which the most recent financial statements of the Issuer have been prepared.

   There has been no material adverse change in the prospects of the Group since 31st December, 2004, the last day of the financial period in respect of which the most recent audited financial statements of the Bank have been prepared.

   There has been no significant change in the financial or trading position of the Group since 30th June, 2005, the last day of the financial period in respect of which the most recent unaudited financial statements of the Bank have been prepared.

Litigation

5. None of the Issuer and the Bank and its Subsidiaries taken as a whole is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Bank is aware) during the period of 12 months preceding the date of this Prospectus which may have, or

have had in such period, a significant effect on the financial position or profitability of either the Issuer or the Bank and its Subsidiaries taken as a whole.

Expenses

6. The total expenses related to the admission to trading of the Preferred Securities will be set out in the Final Terms.

Pricing and Yield

7. The issue price and amount of the Preferred Securities will be determined at the time of the offering of such Preferred Securities in accordance with then prevailing market conditions.

   An indication of the yield of the Preferred Securities will be set out in the Final Terms.

Payment for the Preferred Securities

8. Payment for the Preferred Securities subscribed by the Managers or by persons procured by the Managers will be made by telegraphic transfer (or other approved means) to the account nominated by the Issuer in accordance with the Subscription Agreement.

Accounts

9. The auditors of the Issuer are PricewaterhouseCoopers CI LLP, Chartered Accountants and Registered Auditors. It is currently intended that the Issuer will prepare audited non-consolidated accounts on an annual basis and will not prepare any interim accounts. The directors of the Issuer have prepared financial statements for the Issuer, in accordance with International Financial Reporting Standards (IFRS), in respect of the period from 4th March, 2005 (the date of incorporation of the Issuer) to 30th September, 2005 and PricewaterhouseCoopers CI LLP have issued an accountant's report thereon pursuant to Standards for Investment Reporting (SIR 2000). The accountants' report is included, in the form and context in which it is included, with the consent of the auditors who have authorised that part of this Prospectus.

   The auditors of the Issuer do not have any material interest in the Issuer.

   The auditors of the Bank are PricewaterhouseCoopers S.A., Chartered Accountants and Registered Auditors, who have audited the Bank's accounts, which have been prepared in accordance with generally accepted accounting standards in Greece for the financial years ended on 31st December, 2003 and 31st December, 2004. The independent auditor's reports on the 31st December, 2003 and the 31st December, 2004 year end financial statements for the Bank were qualified since in certain cases the Bank applied International Financial Reporting Standards and diverged from the requirements of Greek Company Law 2190/1920. The qualifications are set out in the consolidated balance sheet in the financial statements for such years set out on pages F-1 to F-22.

   The auditors of the Bank do not have any material interest in the Bank.

Documents

10. For so long as any of the Preferred Securities remains outstanding, copies, and where appropriate, English translations of the following documents may be obtained and will be available free of charge during normal business hours at the specified offices of the Paying and Transfer Agents:

    (a) the Memorandum of Association and Articles of Association of the Issuer and the constitutional documents of the Bank;

(b) the audited annual consolidated and non-consolidated financial statements of the Bank in respect of each of the financial years ended 31st December, 2003 and 31st December, 2004 prepared in accordance with generally accepted accounting standards in Greece;

(c) the audited cashflow statements of the Bank in respect of each of the financial years ended 31st December, 2003 and 31st December, 2004 prepared in accordance with generally accepted accounting standards in Greece;

(d) the interim unaudited consolidated financial statements of the Bank as at, and for the period ended, 31st March, 2005;

(e) the interim unaudited consolidated financial statements of the Bank as at, and for the period ended, 30th June, 2005 prepared in accordance with International Financial Reporting Standards (IFRS);

(f) the non-consolidated financial statements of the Issuer in respect of the period from 4th March, 2005 (the date of incorporation of the Issuer) to 30th September, 2005 prepared in accordance with International Financial Reporting Standards (IFRS); and

(g) the Subscription Agreement, the Agency Agreement and the Guarantee.

In addition, copies of this Prospectus and the Final Terms will be available for viewing during normal business hours at the specified offices of the Paying and Transfer Agents and on the website of the London Stock Exchange.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for the issue of the Preferred Securities

[*Date*]

EFG HELLAS FUNDING LIMITED

Series C Fixed Rate Non-cumulative Guaranteed Non-voting Preferred Securities

having the benefit of a subordinated guarantee of
EFG EUROBANK ERGASIAS S.A. (the "Bank")

Terms used herein shall be deemed to be defined as such for the purposes of the "Description of the Preferred Securities" set forth in the Prospectus dated [*date*] which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive"). This document constitutes the Final Terms of the Preferred Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer, the Bank and the offer of the Preferred Securities is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at [*address*] and [*website*] and copies may be obtained from [*address*].

1.	Closing Date:	[ ]
2.	Dividend Rate:	[ ] per cent. per annum payable quarterly in arrear
3.	Preferred Dividend Payment Dates:	[ ], [ ], [ ] and [ ] in each year, commencing on [ ]
4.	Fixed Preferred Dividend Amount:	€[ ] per Preferred Security
5.	Aggregate Nominal Amount of the Preferred Securities:	€[ ]
6.	First Call Date:	[ ]
7.	Net Proceeds:	€[ ]
8.	Managers:	[*Insert names and addresses*]
9.	Date of board approval for:	
	(i) issuance of Preferred Securities by the Issuer; and	[ ]
	(ii) giving of the guarantee by the Bank:	[ ]
10.	ISIN:	XS[ ]
11.	Common Code:	[ ]
12.	German Security Code (WKN):	[ ]
13.	Ratings:	The Preferred Securities are expected to be assigned on issue the following ratings: [ ] by Moody's [ ] by S&P [ ] by Fitch

		(*Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*)
14.	Yield:	The above pricing gives a yield of [ ] per cent. per annum. The yield is calculated as of the date of these Final Terms and may fluctuate in the future. It is not an indication of future yield.
15.	Total expenses:	[*Insert total amount and breakdown of categories of expense*]
16.	Total commission:	[ ]
17.	Other final terms:	[ ]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue by EFG Hellas Funding Limited of the Preferred Securities described herein.

RESPONSIBILITY

Each of EFG Hellas Funding Limited and EFG Eurobank Ergasias S.A. accepts responsibility for the information contained in these Final Terms.

Signed on behalf of EFG Hellas Funding Limited:	Signed on behalf of EFG Eurobank Ergasias S.A.:
By: .... *Duly authorised*	By: .... *Duly authorised*

APPENDIX

FINANCIAL STATEMENTS

FINANCIAL INFORMATION RELATING TO EFG EUROBANK ERGASIAS S.A.

Consolidated Balance Sheet for EFG Eurobank Ergasias S.A. as at 31 December 2003

		2003	2002
	ASSETS	**Amounts in euro thousand**	
1.	**Cash and balances with central banks**	**1,199,341**	1,089,014
2.	**Treasury bills and similar securities eligible for refinancing with central banks**	**61,145**	456,426
3.	**Loans and advances to credit institutions**		
	a. Repayable on demand	**288,874**	260,330
	b. Other loans and advances	**597,307**	1,022,157
		886,181	1,282,487
4.	**Loans and advances to customers**	**16,804,647**	13,758,613
	Less: Provisions for doubtful debts	**(471,660)**	(397,833)
		16,332,987	13,360,780
5.	**Debt securities including fixed–income securities**		
	a. Issued by government	**6,724,400**	5,594,420
	b. Issued by other borrowers	**754,452**	685,519
		7,478,852	6,279,939
6.	**Shares and other variable-yield securities**	**422,077**	332,045
7.	**Participations in non-affiliated undertakings**	**45,990**	77,712
7.	**a. Investment in associated undertakings**	**19,325**	32,594
8.	**Participations in affiliated undertakings**	**29**	262
9.	**Intangible assets**		
	Other intangible assets	**222,397**	223,318
	Less: Amortisation of intangible assets	**(121,573)**	(114,130)
		100,824	109,188
10.	**Tangible assets**		
	a. Land	**68,665**	65,710
	b. Buildings	**439,805**	506,034
	Less: Depreciation	**(139,831)**	(162,816)
	c. Furniture, electronic and other equipment	**322,830**	212,514
	Less: Depreciation	**(205,511)**	(136,807)
	d. Other tangible assets	**11,258**	9,680
	Less: Depreciation	**(2,839)**	(1,567)
	e. Fixed assets under construction	**59,180**	123,903
		553,557	616,651
13.	**Other assets**	**318,800**	472,019
14.	**Prepayments and accrued income**	**610,808**	513,121
	TOTAL ASSETS	**28,029,916**	24,622,238

NOTES:

1. The consolidated Financial Statements include EFG Eurobank Ergasias SA and the following subsidiary undertakings, which are fully consolidated: EFG Private Bank Luxembourg S.A., EFG Telesis Finance SA., Eurobank Cards SA., EFG Eurobank Ergasias Leasing SA., EFG Eurobank Properties SA., EFG Mutual Funds Co SA., EFG Insurance Services SA, EFG Hellas P.L.C., EFG Eurobank Securities SA., EFG Factors SA, EFG Property and Casualty Insurance SA., EFG Eurodevelopment Investments SA., Be-Business Exchanges SA., EFG Internet Services SA., ELDEPA SA, EFG Life Insurance SA., Alico / CEH Balkan Holdings Limited, EFG Business Services SA, EFG Quality Management Services SA., OPEN 24 SA., Autorental SA., EFG Eurobank Ergasias International (C.I.) LTD, Telesis Direct SA., EFG Eurobank

Asset Management Company SA., EFG Hellas (Cayman Islands) Limited, Banc Post SA (Romania), Bulgarian Retail Services SA, Hellas on Line SA, Post Bank A.D. (Bulgaria), Postbanka A.D. (Serbia), Berberis Investment Ltd, Eurocredit Retail Services Ltd. The consolidated Financial Statements also include the following associated undertakings which are accounted for using the equity method: Tefin SA, Kydon SA, Hotel Company of Athens Airport SA., Zenon Properties SA, Unit Finance SA, Global Finance SA, Global Investment Fund Management SA, Global Finance International Ltd.

2. The Bank EFG Eurobank Ergasias merged via absorption during financial year 2003 the following entities: a) Ergoinvest S.A. on 10.4.2003 with local accounting and tax reference date of 7 November 2002, b) Ergoinvest Advisors S.A. on 7.10.2003 with local accounting and tax reference date of 30.4.2003, c) Investment Development Fund S.A. on 11.11.2003 with local accounting and tax reference date 30.4.2003, d) Unitbank S.A. on 15.12.2003 with local accounting and tax reference date of 31.12.2002. In addition, the merger via absorption of EFG Quality Management Services S.A. has been initiated with local accounting and tax reference date of 30.11.2003 and is expected to be completed by March 2004.

3. Transactions performed by the absorbed entities from the date of their local accounting and tax reference date and until the completion date of their legal mergers, from an accounting point of view, were recognized as performed on behalf of the Bank. As a result, all the afore-mentioned transactions have affected the 2003 financial results of the Bank except for transactions performed by the merged entity Ergoinvest SA during the period 8.11.2002 until 31.12.2002 which affected the 2002 financial results of the Bank. The impact of the above mergers on the shareholders' equity was as follows: a) increase in share capital of € 18.9 million, b) decrease in share premium of € 40.3 million, c) decrease in own shares of € 28.7 million, d) decrease in special reserves of € 35.9 million resulting from valuation differences (losses) of securities portfolio recognized directly to equity.

4. The above mergers resulted in merger differences of € 34.8 million which were off set against share premium.

5. The General Assembly of 19.5.2003 decided the distribution of 1,050,000 new ordinary shares of € 2.89 each, at par, to employees through an increase of the Bank's share capital by € 3 million approximately. The increase was effected with the capitalization of the 2002 profits.

6. On 17.12.2003 the Bank's share capital and share premium increased by approximately € 2.8 million and € 3.4 million, respectively, from the exercise of stock options distributed to employees, with the issue of 933,952 new ordinary shares of € 2.95 each at par. The afore-mentioned increase was certified on 18.12.2003 and the new shares were listed in the Athens Stock Exchange on 20.1.2004.

7. In the financial year 2003 depreciation of fixed assets was accounted for in accordance with the provisions of P.D. 299/2003, by applying depreciation rates that most appropriately reflect the useful life of each asset. The new depreciation rates resulted in lower depreciation charge by € 13.5 million approximately. The goodwill calculation of a foreign subsidiary has not yet been finalised due to the non-completion of the fair market valuation of certain properties.

8. The Bank applied the International Accounting Standards and has, therefore, not complied with the requirements of Company Law 2190/1920, in the following cases: a) the Bank consistently calculates deferred tax, which as at 31.12.03 amounted to € 47.9 million (deferred tax asset) and is included in "Prepaid expenses and accrued income". A special reserve of a corresponding amount that applies to the Bank has been created which will be offset against income tax of future periods when temporary differences are settled, b) Treasury Shares of € 129.5 million are deducted from Shareholders Equity whereas according to Company Law 2190/1920 these should be disclosed as a separate category of "Assets", c) the Bank's trading securities portfolio is marked to market. The valuation gave rise to a mark-down of € 17.1 million which has been recognised in the Profit and Loss of 2003, whereas in 2002 it gave rise to a mark-up of € 18.9 million, d) certain figures of the 2003 Balance Sheet and the Income Statement relating to EFG Eurobank Ergasias Leasing S.A. and Autorental S.A. have been restated to comply with International Accounting Standards. Had this restatement not taken place, current period's profit would be lower by € 7.4 million compared to € 9.8 million lower in 2002.

9. The cost of harmonizing the pension fund program for the employees of the merged companies, with that of the Bank, was finalized in 2003. In addition to an amount of € 4.5 million recorded in the 2002 financial results, an amount of € 9.8 million was capitalized in 2003 and is amortized over a period of 5 years. The 2003 financial results include an amortization charge of € 2 million.

10. During 2003 the Bank performed sell-buy-back transactions for certain of its shares and recorded the realized losses of € 56.3 million directly to equity. Had the market valuation of participations and securities been performed at the lower of cost and market value the resulting difference would not have affected the equity of the Bank.

11. The valuation of the subsidiaries securities portfolios as at 31.12.2003 gave rise to valuation differences (losses) of € 0.8 million, of which € 0.5 million are attributable to the Group. The afore-mentioned losses were off set against valuation gains of € 18.7 million, out of which € 7.6 million are attributable to the Group. The aggregate mark-up of valuation differences attributed to the Group amounts to € 7.1 million and increased directly the Group's net equity.

12. The Bank's management and its legal advisors believe that the outcome of the existing lawsuits inclusive of the Piraeus Bank lawsuit against former Ergobank S.A and certain members of its Board of Directors will not have a significant impact on the Bank's Financial Statements and therefore, no provision for losses has been made.

13. In accordance with the economic activity sector (STAKOD '03) 86 per cent. of the EFG Eurobank Group's revenue is classified under "Transactions of other intermediary financial institutions" (code 651.9) and the remaining 14 per cent. under other sectors of economic activity.

14. The fixed assets of the Bank are free of charges or encumbrances.

15. The total number of employees as at 31.12.2003 was 13,393.

LIABILITIES	2003 Amounts in euro thousand	2002
1. Due to credit institutions		
a. Repayable on demand	**233,139**	67,713
b. Time and notice	**4,991,070**	3,774,470
	5,224,209	3,842,183
2. Due to customers		
a. Deposits	**15,174,459**	14,529,363
b. Other liabilities		
ba. Repayable on demand	**162,169**	384,799
bc. Repurchase agreements (repos)	**1,972,495**	2,118,808
	17,309,123	17,032,970
3. Liabilities evidenced by paper	**2,514,635**	719,943
4. Other liabilities	**690,202**	663,494
5. Accruals and deferred income	**253,458**	297,426
6. Provisions for liabilities and charges		
a. Provisions for staff pensions and similar obligations	**27,346**	19,442
c. Other provisions	**69,806**	24,394
	97,152	43,836
6. a. Provisions for general banking risks	**25,036**	16,427
EQUITY		
8. Share capital	**930,680**	906,017
9. Share premium account	**561,661**	598,553
10. Reserves		
a. Statutory reserve	**97,200**	85,458
b. Extraordinary reserves	**250,274**	269,300
c. Special reserves	**51,620**	75,630
11. Fixed asset revaluation reserve	**3,853**	3,528
12. Retained Earnings	**123,203**	43,708
13. Treasury shares	**(129,537)**	(89,532)
14. Consolidation differences	**(95,603)**	(70,968)
	1,793,351	1,821,694
15. Minority interests	**122,750**	184,265
TOTAL LIABILITIES	**28,029,916**	24,622,238

OFF BALANCE SHEET ITEMS	2003 Amounts in euro thousand	2002
1. Contingent liabilities from guarantees to third parties	**24,588,150**	25,472,467
3. Other off balance sheet items		
a. Items in custody and safekeeping	**49,869,649**	47,973,811
b. Commitments from bilateral contracts	**13,347,460**	9,914,396
c. Credit memo accounts	**13,946,940**	11,118,168
TOTAL OFF BALANCE SHEET ITEMS	**101,752,199**	94,478,842

Consolidated Income Statement for EFG Eurobank Ergasias S.A. as at 31 December 2003

			2003		2002
			Amounts in euro thousand		
1.	**Interest receivable and similar income**				
	– Interest income from fixed-income securities		**339,660**		269,305
	– Other interest and similar income		**1,180,628**		1,221,179
			1,520,288		1,490,484
2.	**Interest payable and similar charges**		**(671,427)**		(766,930)
			848,861		723,554
3.	**Income from Securities**				
	a. Income from shares and other variable-yield securities		**8,421**		6,918
	b. Income from shares in affiliated undertakings		**4,541**		5,960
			12,962		12,878
4.	**Commissions receivable**		**513,174**		362,378
5.	**Commissions payable**		**(203,136)**		(112,437)
			310,038		249,941
6.	**Net profit from financial operations**		**34,297**		(5,468)
7.	**Other operating income**		**9,137**		10,881
	TOTAL OPERATING INCOME		**1,215,295**		991,786
8.	**General administrative expenses**				
	a. Staff costs				
	– Wages and salaries		**(245,927)**		(225,827)
	– Staff pension costs		**(60,546)**		(47,947)
	– Other charges		**(31,332)**		(27,620)
	b. Other administrative expenses		**(213,567)**		(189,790)
			(551,372)		(491,184)
9.	**Fixed assets depreciation and valuation**		**(104,140)**		(87,801)
10.	**Other operating expenses**		**(8,517)**		(10,465)
11,12.	**Provisions for loans and advances and contingent liabilities and commitments**		**(156,603)**		(110,818)
	PROFIT ON ORDINARY ACTIVITIES		**394,663**		291,518
15,16,17.	**Extraordinary income, expenses and profit**		**(12,089)**		(14,497)
18.	**PROFIT BEFORE TAX**		**382,574**		277,021
	Analysed as follows:				
	Minority interest	**9,732**		6,573	
	GROUP PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	**372,842**		270,448	
	Less: Income Tax		**(107,448)**		(70,284)
	Add: Deferred Income Tax		**11,202**		(5,648)
	Less: Differences resulting from Tax Audit		**(6,893)**		(66)
	Net Profit After Tax		**279,435**		201,023
	Minority interest		**(6,812)**		(4,868)
	GROUP NET PROFIT AFTER TAX		**272,623**		196,155

Athens, February 24, 2004

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
Xenophon C. Nickitas	**Nicholas C. Nanopoulos**	**Paula N. Hadjisotiriou**	**Dimitrios K. Mitrotolis**
I. D. No θ – 914611	I. D. No Σ – 237468	I. D. No T - 005040	I. D. No ∏ – 064395

AUDITORS' REPORT

To the Shareholders of EFG Eurobank Ergasias S.A.

We have audited the above Consolidated Financial Statements and the relevant Consolidated Attachment of the Bank "EFG Eurobank Ergasias S.A." for the year ended 31 December 2003. Our audit was conducted in accordance with the provisions of article 108 of Companies Act 2190/1920 and the auditing procedures, which we considered appropriate based on the auditing standards and principles applied by the Greek Institute of Certified Auditors Accountants. The records of the companies which are included in the consolidation were made available to us and we obtained the information and explanations considered necessary for the purposes of our audit. The valuation methods have been applied consistently. We have confirmed that the Consolidated Directors' Report is consistent with the Consolidated Financial Statements. The Consolidated Attachment discloses the information required by article 130 and the relevant provisions of Companies Act 2190/1920. In the course of our audit it came to our attention that the Group applied International Financial Reporting Standards in certain cases, which are detailed in note 8 to the Balance Sheet. As a result of these divergences from the requirements of Companies Act 2190/1920, the Group's results are understated by € 9.7 million. In our opinion the above Consolidated Financial Statements, which have been prepared in accordance with the relevant provisions of Companies Act 2190/1920, present together with the consolidated Attachment, after taking into account the matter referred to above and the matters referred to in notes 9, 10 and 11 to the Balance Sheet, the financial position of the Group as at 31 December 2003 as well as the results of its operations for the year then ended, in accordance with the prevailing legislation and generally accepted accounting principles which have been applied consistently.

Athens, February 26, 2004

The Certified Auditors Accountants
PricewaterhouseCoopers S.A.

K. Riris	A. Papageorgiou
SOEL Reg. No 12111	**SOEL Reg. No 11691**

Non-Consolidated Balance Sheet for EFG Eurobank Ergasias S.A. as at 31 December 2003

	ASSETS	2003	2002
		Amounts in euro thousand	
1.	**Cash and balances with central banks**	**928,778**	891,424
2.	**Treasury bills and similar securities eligible for refinancing with central banks**	**61,145**	456,425
3.	**Loans and advances to credit institutions**		
	a. Repayable on demand	**215,521**	176,241
	b. Other loans and advances	**665,207**	1,164,954
		880,728	1,341,195
4.	**Loans and advances to customers**	**15,382,405**	12,914,230
	Less: Provisions for doubtful debts	**(431,077)**	(382,341)
		14,951,328	12,531,889
5.	**Debt securities including fixed-income securities**		
	a. Issued by government	**6,445,262**	5,247,660
	b. Issued by other borrowers	**966,812**	930,143
		7,412,074	6,177,803
6.	**Shares and other variable-yield securities**	**387,261**	269,495
7.	**Participations in non-affiliated undertakings**		
	a. Related undertakings	**6,172**	44,971
	b. Other undertakings	**45,989**	70,927
		52,161	115,898
8.	**Participations in affiliated undertakings**	**455,864**	398,713
9.	**Intangible assets**		
	Other intangible assets	**201,592**	153,954
	Less: Amortisation of intangible assets	**(108,886)**	(66,696)
		92,706	87,258
10.	**Tangible assets**		
	a. Land	**39,970**	36,592
	b. Buildings	**238,596**	228,898
	Less: Depreciation	**(109,484)**	(100,678)
	c. Furniture, electronic and other equipment	**194,889**	176,835
	Less: Depreciation	**(132,071)**	(115,173)
	d. Other tangible assets	**244**	258
	Less: Depreciation	**(141)**	(169)
	e. Fixed assets under construction	**7,451**	32,821
		239,454	259,384
13.	**Other assets**	**166,087**	347,421
14.	**Prepayments and accrued income**	**586,944**	489,293
	TOTAL ASSETS	**26,214,530**	23,366,198

NOTES:

1. The Bank EFG Eurobank Ergasias merged via absorption during financial year 2003 the following entities: a) Ergoinvest S.A. on 10.4.2003 with local accounting and tax reference date of 7 November 2002, b) Ergoinvest Advisors S.A. on 7.10.2003 with local accounting and tax reference date of 30.4.2003, c) Investment Development Fund S.A. on 11.11.2003 with local accounting and tax reference date 30.4.2003, d) Unitbank S.A. on 15.12.2003 with local accounting and tax reference date of 31.12.2002. In addition, the merger via absorption of EFG Quality Management Services S.A. has been initiated with local accounting and tax reference date of 30.11.2003 and is expected to be completed by March 2004.

2. Transactions performed by the absorbed entities from the date of their local accounting and tax reference date and until the completion date of their legal mergers, from an accounting point of view, were recognized as performed on behalf of the Bank. As a result, all the afore-mentioned transactions have affected the 2003 financial results of the Bank except for transactions performed by the merged entity Ergoinvest SA during the period 8.11.2002 until 31.12.2002 which affected the 2002 financial results of the Bank. The impact of the above mergers on the shareholders' equity was as follows: a) increase in share capital of €18.9 million, b) decrease in share premium of €40.3 million, c) decrease in own shares of €28.7 million, d) decrease in special reserves of €35.9 million resulting from valuation differences (losses) of securities portfolio recognized directly to equity.

3. The above mergers resulted in merger differences of €34.8 million which were off set against share premium.

4. The General Assembly of 19.5.2003 decided the distribution of 1,050,000 new ordinary shares of €2.89 each at par, to employees through an increase of the Bank's share capital by €3 million approximately. The increase was effected with the capitalization of the 2002 profits.

5. On 17.12.2003 the Bank's share capital and share premium increased by approximately €2.8 million and €3.4 million, respectively, from the exercise of stock options distributed to employees, with the issue of 933,952 new ordinary shares of €2.95 each at par. The afore-mentioned increase was certified on 18.12.2003 and the new shares were listed in the Athens Stock Exchange on 20.1.2004.

6. In the financial year 2003 depreciation of fixed assets was accounted for in accordance with the provisions of P.D. 299/2003, by applying depreciation rates that most appropriately reflect the useful life of each asset. The new depreciation rates resulted in lower depreciation charge by €10.5 million approximately.

7. The Bank applied the International Accounting Standards and has, therefore, not complied with the requirements of Company Law 2190/1920, in the following cases: a) the Bank consistently calculates deferred tax, which as at 31.12.03 amounted to €42.6 million (deferred tax asset) and is included in "Prepaid expenses and accrued income". A special reserve of a corresponding amount that applies to the Bank has been created which will be offset against income tax of future periods when temporary differences are settled, b) Treasury Shares of €128.0 million are deducted from Shareholders Equity whereas according to Company Law 2190/1920 these should be disclosed as a separate category of "Assets", c) the Bank's trading securities portfolio is marked to market. The valuation gave rise to a mark-down of €16.4 million which has been recognized in the Profit and Loss of 2003, whereas in 2002 it gave rise to a mark-up of €19.8 million.

8. The cost of harmonizing the pension fund program for the employees of the merged companies, with that of the Bank, was finalized in 2003. In addition to an amount of €4.5 million recorded in the 2002 financial results, an amount of €9.8 million was capitalized in 2003 and is amortized over a period of 5 years. The 2003 financial results include an amortization charge of €2 million.

9. During 2003 the Bank performed sell-buy-back transactions for certain of its shares and recorded the realized losses of €56.3 million directly to equity. Had the market valuation of participations and securities been performed at the lower of cost and market value the resulting difference would not have affected the equity of the Bank.

10. In accordance with the economic activity sector (STAKOD '03) the total EFG Eurobank revenue are classified under "Transactions of other intermediary financial institutions" (code 651.9).

11. The Bank's management and its legal advisors believe that the outcome of the existing lawsuits inclusive of the Piraeus Bank lawsuit against former Ergobank S.A and certain members of its Board of Directors will not have a significant impact on the Bank's Financial Statements and therefore, no provision for losses has been made.

12. The fixed assets of the Bank are free of charges or encumbrances.

13. The total number of employees as at 31.12.2003 was 6,841.

	LIABILITIES	2003	2002
		Amounts in euro thousand	
1.	**Due to credit institutions**		
	a. Repayable on demand	**77,684**	67,676
	b. Time and notice	**5,199,874**	3,964,427
		5,277,558	4,032,103
2.	**Due to customers**		
	a. Deposits	**16,264,661**	14,240,251
	b. Other liabilities		
	ba. Repayable on demand	**87,924**	347,150
	bc. Repurchase agreements (repos)	**1,993,527**	2,048,977
		18,346,112	16,636,378
4.	**Other liabilities**	**527,103**	529,509
5.	**Accruals and deferred income**	**245,337**	265,193
6.	**Provisions for liabilities and charges**		
	a Provisions for staff pensions and similar obligations	**26,141**	18,630
6.	**A. Provisions for general banking risks**	**25,036**	16,426
	EQUITY		
8.	**Share capital**		
	Paid-up (315,484,837 shares at €2.95 each)	**930,680**	906,017
9.	**Share premium account**	**561,661**	598,553
10.	**Reserves**		
	a. Statutory reserve	**97,200**	85,458
	b. Extraordinary reserves	**250,274**	269,300
	c. Special reserves	**51,620**	75,630
11.	**Fixed asset revaluation reserve**	**3,853**	3,528
13.	**Treasury shares**	**(128,045)**	(70,527)
		1,767,243	1,867,959
	TOTAL LIABILITIES	**26,214,530**	23,366,198

	OFF BALANCE SHEET ITEMS	2003	2002
		Amounts in euro thousand	
1.	**Contingent liabilities from guarantees to third parties**	**24,557,298**	25,359,713
3.	**Other off balance sheet items**		
	a. Items in custody and safekeeping	**45,584,135**	43,927,936
	b. Commitments from bilateral contracts	**12,629,736**	9,395,840
	c. Credit memo accounts	**13,630,455**	10,972,431
	TOTAL OFF BALANCE SHEET ITEMS	**96,401,624**	89,655,920

Non-Consolidated Income Statement for EFG Eurobank Ergasias S.A. as at 31 December 2003

		2003	2002
		Amounts in euro thousand	
1.	**Interest receivable and similar income**		
	– Interest income from fixed-income securities	**235,378**	267,090
	– Other interest and similar income	**1,160,418**	1,127,189
		1,395,796	1,394,279
	Interest payable and similar charges	**(625,205)**	(714,146)
		770,591	680,133
3.	**Income from Securities**		
	a. Income from shares and other variable-yield securities	**9,383**	3,213
	b. Income from participating interests.............................	**2,744**	1,391
	c. Income from affiliated undertakings	**32,415**	15,763
		44,542	20,367
4.	**Commissions receivable**	**296,519**	276,350
5.	**Commissions payable**	**(164,863)**	(144,354)
		131,656	131,996
6.	**Net profit from financial operations**	**25,042**	(7,910)
7.	**Other operating income**	**11,599**	11,972
	TOTAL OPERATING INCOME	**983,430**	836,558
8.	**General administrative expenses**		
	a. Staff costs		
	– Wages and salaries	**(184,980)**	(176,205)
	– Staff pension costs	**(44,079)**	(41,488)
	– Other charges	**(18,648)**	(26,576)
	b. Other administrative expenses	**(162,380)**	(158,291)
		(410,087)	(402,560)
9.	**Fixed assets depreciation and valuation**	**(78,736)**	(67,882)
10.	**Other operating expenses**	**(3,001)**	(1,969)
11,12.	**Provisions for loans and advances and contingent liabilities and commitments**...	**(149,630)**	(106,872)
	PROFIT ON ORDINARY ACTIVITIES	**341,976**	257,275
15,16,17.	Extraordinary income, expenses and profit.......................	**(11,713)**	(9,758)
18.	**PROFIT BEFORE TAX**	**330,263**	247,517

APPROPRIATION ACCOUNT

	2003	2002
	Amounts in euro thousand	
PROFIT BEFORE TAX	**330,263**	247,517
Less: Income Tax	**(79,501)**	(51,949)
Less: Deferred Income Tax	**(5,514)**	–
Less: Differences resulting from Tax Audit	**11,202**	(5,648)
PROFIT AFTER TAX	**256,450**	189,920
Prior years' retained earnings brought forward	**(312)**	3,985
Distributable reserves	**120,852**	–
Reserve L. 148/67 to cover losses from securities	**–**	4,330
"Deferred" Income Tax	**(11,202)**	5,648
Treasury Shares Reserve	**–**	59,500
NET ATTRIBUTABLE PROFIT	**365,788**	263,383
Appropriation of profits:		
Statutory Reserve	**10,524**	8,044
Dividend €0.60 per share	**185,319**	144,492
Extraordinary reserves	**90,508**	95,834
Special Statutory Reserves	**10,664**	1,675
Treasury Shares Reserves	**57,518**	–
Distribution of profits to staff	**8,600**	7,300
Distribution of shares to staff	**2,655**	3,035
Distribution of bonus to staff due to Euro conversion	**–**	3,003
	365,788	263,383

Athens, February 24, 2004

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
Xenophon C. Nickitas	**Nicholas C. Nanopoulos**	**Paula N. Hadjisotiriou**	**Dimitrios K. Mitrotolis**
I. D. No θ – 914611	I. D. No Σ – 237468	I. D. No T - 005040	I. D. No Π – 064395

AUDITORS REPORT

To the Shareholders of EFG Eurobank Ergasias S.A.

We have audited the above Financial Statements and the relevant Attachment of the Bank "EFG Eurobank Ergasias SA" for the year ended 31 December 2003. Our audit, which has taken into account returns of the branches, was conducted in accordance with the provisions of article 37 of Companies Act 2190/1920 and the auditing procedures, which we considered appropriate based on the auditing standards and principles applied by the Greek Institute of Certified Auditors Accountants. The books and records maintained by the Bank have been made available to us and we obtained the information and explanations considered necessary for the purposes of our audit. The Bank has properly applied the Chart of Accounts for Banks except for the cases referred to in notes 7 & 9 to the Balance Sheet. The valuation methods have been applied consistently. We have confirmed that the Directors' Report is consistent with the Financial Statements. The Attachment discloses the information required by paragraph 1 of article 43a and by article 129 of Companies Act 2190/1920. In the course of our audit it came to our attention that the Bank applied International Financial Reporting Standards in certain cases, which are detailed in note 7 to the Balance Sheet. As a result of these divergences from the requirements of Companies Act 2190/1920, the Bank's results are understated by €16.4 million. In our opinion the above Financial Statements, which have been derived from the books and records of the Bank, present together with the Attachment, after taking into account the matter referred to above and the matters referred to in notes 8 and 9 to the Balance Sheet, the financial position of the Bank as at 31 December 2003 as well as the results of its operations for the year then ended, in accordance with the prevailing legislation and generally accepted accounting principles which have been applied consistently.

Athens, February 26, 2004

The Certified Auditors Accountants
PricewaterhouseCoopers S.A.

K. Riris	PRICEWATERHOUSECOOPERS	A. Papageorgiou
SOEL Reg. No 12111		**SOEL Reg. No 11691**

Consolidated Balance Sheet for EFG Eurobank Ergasias S.A. as at 31 December 2004

	ASSETS	2004	2003
		Amounts in euro million	
1.	**Cash and balances with central banks**	**1,552**	1,199
2.	**Treasury bills and similar securities eligible for refinancing with central banks**	**480**	61
3.	**Loans and advances to credit institutions**		
	a. Repayable on demand	**293**	289
	b. Other loans and advances	**321**	597
		614	886
4.	**Loans and advances to customers**	**21,051**	16,805
	Less: Provisions for doubtful debts	**(553)**	(472)
		20,498	16,333
5.	**Debt securities including fixed-income securities**		
	a. Issued by government	**5,669**	6,724
	b. Issued by other borrowers	**879**	755
		6,548	7,479
6.	**Shares and other variable-yield securities**	**393**	422
7.	**Participations in non-affiliated undertakings**	**23**	46
7a.	**Investment in associated undertakings**	**58**	19
8.	**Participations in affiliated undertakings**	**–**	–
9.	**Intangible assets**		
	c. Other intangible assets	**270**	222
	Less: Amortisation of intangible assets	**(155)**	(121)
		115	101
10.	**Tangible assets**		
	a. Land	**110**	69
	b. Buildings	**537**	440
	Less: Depreciation	**(201)**	(140)
	c. Furniture, electronic and other equipment	**285**	323
	Less: Depreciation	**(193)**	(205)
	d. Other tangible assets	**11**	11
	Less: Depreciation	**(4)**	(3)
	e. Fixed assets under construction	**12**	59
		557	554
13.	**Other assets**	**394**	319
14.	**Prepayments and accrued income**	**707**	611
	TOTAL ASSETS	**31,939**	28,030

OFF BALANCE SHEET ITEMS	2004	2003
	Amounts in euro million	
1. Contingent liabilities from guarantees and forward contracts	**37,847**	24,588
3. Other off balance sheet items		
a. Items in custody and safekeeping	**57,234**	49,870
b. Commitments from bilateral contracts	**23,647**	13,347
c. Credit memo accounts	**13,906**	13,947
TOTAL OFF BALANCE SHEET ITEMS	**132,634**	101,752

LIABILITIES	2004	2003
	Amounts in euro million	
1. Due to credit institutions		
a. Repayable on demand	**25**	233
b. Time and notice	**5,240**	4,991
	5,265	5,224
2. Due to customers		
a. Deposits	**16,749**	15,174
b. Other liabilities		
ba. Repayable on demand	**207**	162
bc. Repurchase agreements (repos)	**1,253**	1,972
	18,209	17,308
3. Liabilities evidenced by paper	**4,667**	2,515
4. Other liabilities	**730**	691
5. Accruals and deferred income	**393**	254
6. Provisions for liabilities and charges		
a. Provisions for staff pensions and similar obligations	**36**	27
c. Other provisions	**179**	70
	215	97
6. A. Provisions for general banking risks	**35**	25
7. Subordinated notes	**400**	–
EQUITY		
8. Share Capital	**926**	931
9. Share premium account	**505**	562
10. Reserves		
a. Statutory reserve	**112**	97
b. Extraordinary reserves	**267**	250
c. Special reserves	**97**	52
11. Fixed asset revaluation reserve	**22**	4
12. Retained Earnings	**172**	123
13. Treasury shares	**(3)**	(130)
14. Consolidation differences	**(158)**	(96)
	1,940	1,793
15. Minority interests	**85**	123
TOTAL LIABILITIES	**31,939**	28,030

Notes:

1. The consolidated Financial Statements include EFG Eurobank Ergasias S.A. and the following subsidiary undertakings, which are fully consolidated: EFG Private Bank Luxembourg S.A., EFG Telesis Finance SA., Eurobank Cards S.A., EFG Eurobank Ergasias Leasing S.A., EFG Eurobank Properties S.A., EFG Mutual Funds Co S.A., Intertrust Mutual Funds

Co S.A., EFG Insurance Services S.A., EFG Hellas P.L.C., EFG Eurobank Securities S.A., EFG Factors S.A., EFG Property and Casualty Insurance S.A., Be-Business Exchanges S.A., EFG Internet Services S.A., ELDEPA S.A., EFG Life Insurance S.A., Alico / CEH Balkan Holdings Limited, EFG Business Services S.A, OPEN 24 S.A., Autorental SA., EFG Eurobank Ergasias International (C.I.) LTD, Telesis Direct S.A., EFG Eurobank Asset Management Company S.A., EFG Hellas (Cayman Islands) Limited, Bancpost S.A. (Romania), Bulgarian Retail Service AD, Hellas on Line S.A., Bulgarian Post Bank A.D., EFG Eurobank A.D. Beograd, Berberis Investment Ltd, Eurocredit Retail Service Ltd (Cyprus), Euroline Retail Service S.A. (Romania), Euroline Retail Service A.D. (Serbia), EFG Leasing EAD Bulgaria, Eurobank Property Services S.A. The consolidated Financial Statements also include the following associated undertakings which are accounted for using the equity method: Tefin S.A., Hotel Company of Athens Airport S.A., Zenon Properties S.A., Unit Finance S.A., Global Finance S.A., Global Investment Fund Management S.A., Cardlink S.A., The Greek Progress Fund S.A., Dias S.A.

2. During 2004, and in compliance with the Law 2065/92, fixed assets were revalued by € 23.4 million less accumulated depreciation of € 4.1 million. The annual depreciation charge increased by € 0.3 million.

3. The Bank applied the International Financial Reporting Standards and has, therefore, not complied with the requirements of Company Law 2190/1920, in the following cases: a) the Bank consistently calculates deferred tax, which as at 31.12.04 amounted to € 62.8 million (deferred tax asset), b) Treasury Shares of € 3.0 million are deducted from Shareholders Equity whereas according to Company Law 2190/1920 these should be disclosed as a separate category of “Assets”, c) the Bank’s trading securities portfolio is marked to market. The valuation gave rise to a mark-up of € 13.4 million which has been recognised in the Profit and Loss of 2004, whereas in 2003 it gave rise to a mark-down of € 17.1 million, d) certain figures of the 2004 Balance Sheet and the Income Statement relating to EFG Eurobank Ergasias Leasing S.A. and Autorental S.A. have been restated to comply with International Financial Reporting Standards. Had this restatement not taken place, current period’s profit would be lower by € 6.1 million compared to € 7.4 million lower in 2003.

4. The Bank, during 2004, proceeded with a staff voluntary retirement scheme. The amount of € 3.1 million has been recorded in the 2004 financial results and the amount of € 27.6 million has been capitalised and is included in intangible assets.

5. In June 2004, the Bank proceeded with the securitisation of mortgage loans amounting to € 750 million, in accordance with Law 3156/2003.

6. The Bank’s Management and its legal advisors believe that the outcome of the existing lawsuits will not have a significant impact on the Bank’s Financial Statements.

7. In accordance with the economic activity sector (STAKOD ’03) 88% of the EFG Eurobank Group’s revenue is classified under “Transactions of other intermediary financial institutions” (code 651.9) and the remaining 12% under other sectors of economic activity.

8. The fixed assets of the Bank are free of charges or encumbrances.

9. The total number of employees as at 31.12.2004 was 13,720.

Consolidated Income Statement for EFG Eurobank Ergasias S.A. as at 31 December 2004

		2004		2003
		Amounts in euro million		
1. Interest receivable and similar income				
– Interest income from fixed-income securities		**282.0**		339.7
– Other interest and similar income		**1,721.0**		1,180.6
		2,003.0		1,520.3
2. Interest payable and similar charges		**(965.5)**		(671.4)
		1,037.5		848.9
3. Income from Securities				
a. Income from shares and other variable-yield securities		**8.4**		8.4
c. Income from shares in affiliated undertakings		**5.5**		4.5
		13.9		12.9
4. Commissions receivable		**534.7**		513.2
5. Commissions payable		**(172.3)**		(203.1)
		362.4		310.1
6. Net profit from financial operations		**53.2**		34.3
7. Other operating income		**16.7**		9.1
TOTAL OPERATING INCOME		**1,483.7**		1,215.3
8. General administrative expenses				
a. Staff costs				
– Wages and salaries		**(275.8)**		(245.9)
– Staff pension costs		**(66.7)**		(60.6)
– Other charges		**(37.8)**		(31.3)
b. Other administrative expenses		**(247.3)**		(213.6)
		(627.6)		(551.4)
9. Fixed assets depreciation and valuation		**(98.5)**		(104.1)
10. Other operating expenses		**(2.8)**		(8.5)
11,12. Provisions for loans and advances and contingent liabilities and commitments		**(213.1)**		(156.6)
PROFIT ON ORDINARY ACTIVITIES		**541.7**		394.7
15,16,17. Extraordinary income, expenses and profit		**(14.9)**		(12.1)
18. PROFIT BEFORE TAX		**526.8**		382.6
Analysed as follows:				
Minority interest	**14.1**		9.7	
GROUP PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	**512.7**		372.9	
Less: Income Tax		**(163.7)**		(107.5)
Add: Deferred Income Tax		**15.0**		11.2
Less: Differences resulting from Tax Audit		**(0.0)**		(6.9)
Net Profit After Tax		**378.1**		279.4
Minority interest		**(9.9)**		(6.8)
GROUP NET PROFIT AFTER TAX		**368.2**		272.6

Athens, February 22, 2005

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
Xenophon C. Nickitas	**Nicholas C. Nanopoulos**	**Paula N. Hadjisotiriou**	**Dimitrios K. Mitrotolis**
I. D. No θ – 914611	I. D. No Σ – 237468	I. D. No T - 005040	I. D. No ∏ – 064395

AUDIT REPORT

To the Shareholders of the Bank "EFG Eurobank Ergasias S.A."

We have audited the above Consolidated Financial Statements and the related Consolidated Attachment of the Bank "EFG Eurobank Ergasias SA" for the year ended 31 December 2004. Our audit was conducted in accordance with the provisions of Article 108 of the Companies Act 2190/1920 and the auditing procedures, which we considered appropriate, based on the auditing standards and principles applied by the Institute of Certified Auditors/Accountants in Greece. The records of the companies which are included in the consolidation have been made available to us and we obtained the information and explanations, considered necessary for the purposes of our audit. The valuation methods have been applied consistently. We have confirmed that the content of the Consolidated Directors' Report is in agreement with the Consolidated Financial Statements. The Consolidated Attachment discloses the information required by Article 130 and the relevant provisions of the Companies Act 2190/1920. As a result of our audit, we noted the following: In certain cases, which are detailed in Note 3 beneath the Balance Sheet, the Bank has applied International Financial Reporting Standards. As a result of these divergences from the requirements of the Companies Act 2190/1920, the Group's results for the current year are overstated by € 19.5 million. In our opinion, after taking into consideration the matter referred to above and the impact on the results of the matter included in note 4 beneath the Balance Sheet, which refers to the voluntary retirement scheme, the above Consolidated Financial Statements, which have been prepared in accordance with the relevant provisions of the Companies Act 2190/1920, present together with the Consolidated Attachment the financial position of the Group as at 31 December 2004, as well as the results of its operations for the year then ended, in conformity with prevailing legislation and generally accepted accounting principles in Greece applied on a consistent basis with the preceding year.

Athens, February 24, 2005

The Certified Auditors Accountants
PricewaterhouseCoopers S.A.

K. Riris	A. Papageorgiou
SOEL Reg. No 12111	**SOEL Reg. No 11691**

Non-Consolidated Balance Sheet for EFG Eurobank Ergasias S.A. as at 31 December 2004

		2004	2003
	ASSETS	**Amounts in euro million**	
1.	**Cash and balances with central banks**	**1,112**	929
2.	**Treasury bills and similar securities eligible for refinancing with central banks**	**480**	61
3.	**Loans and advances to credit institutions**		
	a. Repayable on demand	**249**	215
	b. Other loans and advances	**606**	665
		855	880
4.	**Loans and advances to customers**	**19,766**	15,382
	Less: Provisions for doubtful debts	**(507)**	(431)
		19,259	14,951
5.	**Debt securities including fixed-income securities**		
	a. Issued by government	**5,231**	6,445
	b. Issued by other borrowers	**692**	967
		5,923	7,412
6.	**Shares and other variable-yield securities**	**297**	387
7.	**Participations in non-affiliated undertakings**		
	a. Related undertakings	**36**	6
	b. Other undertakings	**23**	46
		59	52
8.	**Participations in affiliated undertakings**	**596**	456
9.	**Intangible assets**		
	Other intangible assets	**245**	202
	Less: Amortisation of intangible assets	**(137)**	(109)
		108	93
10.	**Tangible assets**		
	a. Land	**45**	40
	b. Buildings	**254**	239
	Less: Depreciation	**(127)**	(109)
	c. Furniture, electronic and other equipment	**210**	195
	Less: Depreciation	**(151)**	(132)
	d. Other tangible assets	**–**	–
	Less: Depreciation	**–**	–
	e. Fixed assets under construction	**9**	7
		240	240
13.	**Other assets**	**189**	167
14.	**Prepayments and accrued income**	**655**	587
	TOTAL ASSETS	**29,773**	26,215

OFF BALANCE SHEET ITEMS		2004	2003
		Amounts in euro million	
1.	**Contingent liabilities from guarantees and forward contracts**	**37,690**	24,557
3.	**Other off balance sheet items**		
	a. Items in custody and safekeeping	**52,480**	45,584
	b. Commitments from bilateral contracts	**22,605**	12,630
	c. Credit memo accounts	**13,197**	13,630
	TOTAL OFF BALANCE SHEET ITEMS	**125,972**	96,401

LIABILITIES		2004	2003
		Amounts in euro million	
1.	**Due to credit institutions**		
	a. Repayable on demand	**17**	78
	b. Time and notice	**5,223**	5,200
		5,420	5,278
2.	**Due to customers**		
	a. Deposits	**19,922**	16,265
	b. Other liabilities		
	ba. Repayable on demand	**87**	88
	bc. Repurchase agreements (repos)	**1,244**	1,994
		21,253	18,347
4.	**Other liabilities**	**518**	526
5.	**Accruals and deferred income**	**367**	245
6.	**Provisions for liabilities and charges**		
	a. Provisions for staff pensions and similar obligations	**34**	26
6.	**A. Provisions for general banking risks**	**35**	25
7.	**Subordinated Deposits**	**398**	–
	EQUITY		
8.	**Share Capital**		
	Paid-up (314,009,537 shares at € 2.95 each)	**926**	931
9.	**Share premium account**	**505**	562
10.	**Reserves**		
	a. Statutory reserve	**112**	97
	b. Extraordinary reserves	**267**	250
	c. Special reserves	**97**	52
11.	**Fixed asset revaluation reserve**	**22**	4
12.	**Treasury shares**	**(1)**	(128)
		1,928	1,768
	TOTAL LIABILITIES	**29,773**	26,215

Notes:

1. During 2004, and in compliance with the Law 2065/92, fixed assets were revalued by € 22.6 million less accumulated depreciation of € 4.1 million. The annual depreciation charge increased by € 0.3 million.

2. The Bank applied the International Financial Reporting Standards and has, therefore, not complied with the requirements of Company Law 2190/1920, in the following cases: a) the Bank consistently calculates deferred tax, which as at 31.12.04 amounted to € 57.6 million (deferred tax asset), b) Treasury Shares of € 1.5 million are deducted from Shareholders Equity, whereas according to Company Law 2190/1920 these should be disclosed as a separate category of "Assets", c) the Bank's trading securities portfolio is marked to market. The valuation gave rise to a mark-up of € 11.4 million, which has been recognised in the Profit and Loss of 2004, whereas in 2003 it gave rise to a mark-down of € 16.4 million.

3. The Bank, during 2004, proceeded with a staff voluntary retirement scheme. The amount of € 3.1 million has been charged to the 2004 financial results and the amount of € 27.6 million has been capitalised and is included in intangible assets.

4. In June 2004 the Bank proceeded with the securitisation of mortgage loans amounting to € 750 million in accordance with Law 3156/2003.
5. The Bank's management and its legal advisors believe that the outcome of the existing lawsuits will not have a significant impact on the Bank's Financial Statements.
6. In accordance with the economic activity sector (STAKOD '03) the total EFG Eurobank Ergasias SA revenue is classified under "Transactions of other intermediary financial institutions" (code 651.9).
7. The fixed assets of the Bank are free of charges or encumbrances.
8. The total number of employees as at 31.12.2004 was 6,722.

Non-Consolidated Income Statement for EFG Eurobank Ergasias S.A. as at 31 December 2004

	2004	2003
	Amounts in euro million	
1. Interest receivable and similar income		
– Interest income from fixed-income securities	**260.1**	235.4
– Other interest and similar income	**1,517.4**	1,160.4
	1,777.5	1,395.8
2. Interest payable and similar charges	**(878.5)**	(625.2)
	899.0	770.6
3. Income from Securities		
a. Income from shares and other variable-yield securities	**8.2**	9.4
b. Income from participating interests	**1.4**	2.7
c. Income from affiliated undertakings	**25.3**	32.4
	34.9	44.5
4. Commissions receivable	**333.7**	296.5
5. Commissions payable	**(189.1)**	(164.9)
	144.6	131.6
6. Net profit from financial operations	**48.7**	25.1
7. Other operating income	**18.4**	11.6
TOTAL OPERATING INCOME	**1,145.6**	983.4
8. General administrative expenses		
a. Staff costs		
– Wages and salaries	**(194.2)**	(185.0)
– Staff pension costs	**(47.0)**	(44.1)
– Other charges	**(29.0)**	(18.6)
b. Other administrative expenses	**(166.6)**	(162.4)
	(436.8)	(410.1)
9. Fixed assets depreciation and valuation	**(71.0)**	(78.7)
10. Other operating expenses	**(2.5)**	(3.0)
11,12. Provisions for loans and advances and contingent liabilities and commitments	**(205.0)**	(149.6)
PROFIT ON ORDINARY ACTIVITIES	**430.3**	342.0
15,16,17. Extraordinary income, expenses and profit	**(8.3)**	(11.7)
18. PROFIT BEFORE TAX	**422.0**	330.3

APPROPRIATION ACCOUNT

	2004	2003
	Amounts in euro million	
PROFIT BEFORE TAX	**422.0**	330.3
Less: Income Tax	**(121.9)**	(79.5)
Less: Differences resulting from Tax Audit	**–**	(5.5)
Plus: Deferred Income Tax	**15.0**	11.2
PROFIT AFTER TAX	**315.1**	256.5
Prior years' retained earnings brought forward	**(0.3)**	(0.3)
Distributable reserves	**–**	120.8
"Deferred" Income Tax	**(15.0)**	(11.2)
Treasury Shares Reserve	**9.3**	–
NET ATTRIBUTABLE PROFIT	**309.1**	365.8
Appropriation of profits:		
Statutory Reserve	**14.8**	10.5
Dividend € 0.72 per share	**226.0**	185.3
Extraordinary reserves	**2.0**	90.5
Special Reserves	**56.1**	10.7
Treasury Shares Reserve	**–**	57.5
Distribution of profits to staff	**10.2**	8.6
Distribution of shares to staff	**–**	2.7
	309.1	365.8

Athens, February 22, 2005

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
Xenophon C. Nickitas	**Nicholas C. Nanopoulos**	**Paula N. Hadjisotiriou**	**Dimitrios K. Mitrotolis**
I. D. No θ – 914611	I. D. No Σ – 237468	I. D. No T - 005040	I. D. No Π – 064395

AUDIT REPORT

To the Shareholders of the Bank "EFG Eurobank Ergasias S.A."

We have audited the above Financial Statements and the related Attachment of "EFG Eurobank Ergasias SA" for the year ended 31 December 2004. Our audit, which took into consideration returns from the branches, was conducted in accordance with the provisions of Article 37 of the Companies Act 2190/1920 and the auditing procedures, which we considered appropriate, based on the auditing standards and principles adopted by the Institute of Certified Auditors/Accountants in Greece. The books and records maintained by the Bank were made available to us and we obtained the relevant information and explanations, which we required for the purposes of our audit. The Bank has properly applied the Chart of Accounts for Banks except for the matters referred to in Notes 2 & 3 beneath the Balance Sheet. There were no changes in the valuation methods used by the Bank compared to those used in the preceding year. We have confirmed that the content of the Directors' Report to the Annual General Meeting of the Shareholders is in agreement with the related Financial Statements. The Attachment discloses the information stipulated by paragraph 1 of Article 43a and Article 129 of the Companies Act 2190/1920. As a result of our audit, we noted the following: In certain circumstances, which are analyzed in Note 2 beneath the Balance Sheet, the Bank has applied the International Financial Reporting Standards. As a result of not applying the provisions of the Companies Act 2190/1920, the results for the current year are overstated by €11.4 million. In our opinion, after taking into consideration the matter referred to above and the impact on the results of the matter included in note 3 beneath the Balance Sheet, which refers to the voluntary retirement scheme, the above mentioned Financial Statements, which are in agreement with the books and records of the Bank, present together with the Attachment in conformity with prevailing legislation and generally accepted accounting principles the assets, liabilities and the financial position of the Company as at 31 December 2004, as well as the results of its operations for the year then ended, in conformity with prevailing legislation and generally accepted accounting principles in Greece applied on a consistent basis with the preceding year.

Athens, February 24, 2005

The Certified Auditors Accountants
PricewaterhouseCoopers S.A.

K. Riris	PRICEWATERHOUSECOOPERS	A. Papageorgiou
SOEL Reg. No 12111		**SOEL Reg. No 11691**

AUDITED CONSOLIDATED AND NON-CONSOLIDATED CASHFLOW STATEMENTS OF THE BANK FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2003

ΤΡΆΠΕΖΑ EFG EUROBANK ERGASIAS A.E.
Αρ. Μ.Α.Ε 6068/06/Β/86/07

CONSOLIDATED CASH FLOW STATEMENT
For the period 01.01-31.12.2003

S/N	ANALYSIS	01.01-31.12.03	01.01-31.12.02
		Thousands of euro	
Cash flows from operating activities			
Cash inflows			
A.101	Interest and commissions receivable and similar income	1,693,802	1,583,549
A.102	Income from securities	118,081	127,504
A.103	Other income	1,567	5,126
A.104	Trading results	356,957	129,101
A.105	Proceeds from sale of trading securities	226,822,990	298,806,624
A.106	Proceeds from sale of treasury bills	4,538,764	0
A.108	Increase in deposits	1,658,179	5,103,539
A.109(b)	Deduct: increase in accrued income receivable	-78,551	-179,810
A.110(a)	Add: increase in deferred income	0	10,921
A.110(b)	Deduct: decrease in deferred income	-15,856	0
A.111(a)	Add: decrease in other assets	100,462	0
A.112	Proceeds from sale of auction items	10,609	8,762
Total cash inflows (A100)		235,207,004	305,595,316
Cash outflows			
A.201	Interest and commissions payable and similar charges	-811,653	-829,064
A.202	General administrative expenses	-613,381	-540,320
A.203	Other expenses	-18,742	-25,150
A.204	Trading results	-509,497	-258,709
A.205	Purchase of trading securities	-226,674,350	-300,940,018
A.206	Purchase of treasury bills	-4,144,072	-455,842
A.207	Increase in loans and advances to customers	-3,054,894	-2,422,157
A.209(a)	Add: increase in prepaid expenses	-2,597	0
A.209(b)	Deduct: decrease in prepaid expenses	0	7,188
A.210(a)	Deduct: increase in accrued expenses	-28,112	0
A.210(b)	Add: increase in accrued expenses	0	196,565
A.211(a)	Add: decrease in other liabilities	-24,762	-31,935
A.211(b)	Deduct: increase in other assets	0	-32,402
A.212	Purchase of auction items	-1,279	-614
A.213	Taxes	-81,392	-102,965
Total cash outflows (A200)		-235,964,731	-305,435,423
Net cash from operating activities (A100-A200)=A		-757,727	159,893

S/N	ANALYSIS	01.01-31.12.03	01.01-31.12.02
		Thousands of euro	
Cash flows from investing activities			
Cash inflows			
B.101	Proceeds from sale of participations and other investments	2,601,465	3,069,905
B.102	Proceeds from sale of intangible assets	5,362	6,725
B.103	Income from participations and other investments	234,541	154,748
B.104	Other income	3,105	2,189
Total cash inflows (B100)		2,844,473	3,233,567
Cash outflows			
B.201	Purchase of participations and other investments	-3,803,792	-3,321,849
B.202	Purchase of intangible assets	-112,746	-149,177
Total cash outflows (B200)		-3,916,538	-3,471,026
Net cash from investing activities (B100-B200)=B		-1,072,065	-237,459
Cash flows from financing activities			
Cash inflows			
C.101	Increase in obligations evidenced by paper	1,794,692	280,651
C.103	Proceeds from share capital increases	6,126	1,816
C.104	Proceeds from sale of treasury shares	5,943	209
Total cash inflows (C100)		1,806,761	282,676
Cash outflows			
C.204	Purchase of treasury shares	-87,550	-67,960
C.207	Dividends	-165,095	-147,128
C.208	Distributions to employees	-10,303	-8,207
Total cash outflows (C200)		-262,948	-223,295
Net cash from financing activities (C100-C200)=C		1,543,813	59,381
Net Cash Flow (A+/-B+/-C)		-285,979	-18,185
D.100	***Plus:*** **Cash and cash equivalents at the beginning of the year**		
	1. Cash and balances with central banks	1,089,014	1,236,454
	2. Amounts due from other banks	1,282,487	1,153,232
Total cash at the beginning of the year (D.100)		2,371,501	2,389,686
	Plus: **Cash and cash equivalents at the end of the year**		
	1. Cash and balances with central banks	1,199,341	1,089,014
	2. Amounts due from other banks	886,181	1,282,487
Total cash at the end of the year		2,085,522	2,371,501

Notes:

The Bank EFG Eurobank Ergasias merged via absorption during financial year 2003 the following entities: a) Ergoinvest S.A. on 10.4.2003 with local accounting and tax reference date of 7 November 2002 b) Ergoinvest Advisors S.A. on 7.10.2003 with local accounting and tax reference date of 30.4.2003 c) Investment Development Fund S.A. on 11.11.2003 with local accounting and tax reference date 30.4.2003 d) Unitbank S.A. on 15.12.2003 with local accounting and tax reference date 31.12.2002

ATHENS, MARCH 12, 2004

THE CHAIRMAN OF THE BOARD
OF DIRECTORS
Xenophon C. Nickitas
I.D. No Θ - 914611

THE CHIEF
EXECUTIVE OFFICER
Nicholas C. Nanopoulos
I.D. No Σ – 237468

THE CHIEF FINANCIAL OFFICER
Paula N. Hadjisotiriou
I.D. No T – 005040

THE CHIEF ACCOUNTANT
Dimitrios K. Mitrotolis
I.D. No Π – 064395

AUDIT CERTIFICATION

"We have audited the consolidated Cash Flow Statement of EFG Eurobank Ergasias S.A. for the year ended 31 December 2003. The consolidated Cash Flow Statement has been prepared according to the books and records maintained by the Group and also on the basis of the audited financial statements for the year then ended for which we have issued our audit opinion dated 26 February 2004.

In our opinion the Cash Flow Statement presents fairly the consolidated cash inflows and outflows from Group's activities for the year ended 31 December 2003.

Athens, March 18 2004

Certified Auditors / Accountants
PricewaterhouseCoopers S.A.

PRICEWATERHOUSECOOPERS

K. RIRIS
SOEL Reg. No 12111

A.PAPAGEORGIOU
SOEL Reg. No 11691

ΤΡΆ∏EZA EFG EUROBANK ERGASIAS A.E.
Αρ. Μ.Α.Ε 6068/06/Β/86/07

CASH FLOW STATEMENT
For the period 01.01-31.12.2003

S/N	ANALYSIS	01.01-31.12.03	01.01-31.12.02
		Thousands of euro	
Cash flows from operating activities			
Cash inflows			
A.101	Interest and commissions receivable and similar income	1,439,980	1,403,589
A.102	Income from securities	117,230	127,504
A.103	Other income	1,567	2,751
A.104	Trading results	345,074	129,101
A.105	Proceeds from sale of trading securities	226,589,974	298,736,375
A.106	Proceeds from sale of treasury bills	4,538,764	0
A.108	Increase in deposits	2,848,089	5,185,845
A.109(b)	Deduct: increase in accrued income receivable	-82,072	-205,433
A.110(a)	Add: increase in deferred income	2,743	0
A.110(b)	Deduct: decrease in deferred income	0	-3,238
A.111(a)	Add: decrease in other assets	64,885	0
A.112	Proceeds from sale of auction items	10,609	8,762
Total cash inflows (A100)		235,876,843	305,385,256
Cash Outflows			
A.201	Interest and commissions payable and similar charges	-718,037	-808,254
A.202	General administrative expenses	-469,414	-451,696
A.203	Other expenses	-12,747	-10,911
A.204	Trading results	-509,497	-258,709
A.205	Purchase of trading securities	-226,374,574	-300,940,724
A.206	Purchase of treasury bills	-4,144,072	-455,842
A.207	Increase in loans and advances to customers	-2,328,640	-2,079,292
A.209(a)	Add: increase in prepaid expenses	-4,375	0
A.209(b)	Deduct: decrease in prepaid expenses	0	8,917
A.210(a)	Deduct: increase in accrued expenses	-22,598	0
A.210(b)	Add: increase in accrued expenses	0	190,881
A.211(a)	Add: decrease in other liabilities	-63,305	-37,786
A.211(b)	Deduct: increase in other assets	0	-49,773
A.212	Purchase of auction items	-1,279	-614
A.213	Taxes	-63,526	-84,389
Total cash outflows (A200)		-234,712,064	-304,978,192
Net cash from operating activities (A100-A200)=A		1,164,779	407,064

S/N	ANALYSIS	01.01-31.12.03	01.01-31.12.02
		Thousands of euro	
Cash flows from investing activities			
Cash inflows			
B.101	Proceeds from sale of participations and other investments	2,335,155	2,499,525
B.102	Proceeds from sale of intangible assets	4,723	2,083
B.103	Income from participations and other investments	160,849	159,920
B.104	Other income	3,105	4,644
Total cash inflows (B100)		2,503,832	2,666,172
Cash outflows			
B. 201	Purchase of participations and other investments	-3,793,135	-2,977,564
B. 202	Purchase of intangible assets	-66,654	-78,314
Total cash outflows (B200)		-3,859,789	-3,055,878
Net cash from investing activities (B100-B200)=B		-1,355,957	-389,706
Cash flows from financing activities			
Cash inflows			
C. 103	Proceeds from share capital increases	6,126	1,816
Total cash inflows (C100)		6,126	1,816
Cash outflows			
C.204	Purchase of treasury shares	-86,207	-67,960
C.207	Dividends	-141,551	-164,877
C.208	Distributions to employees	-10,303	-8,207
Total cash outflows (C200)		-238,061	-241,044
Net cash from financing activities (C100-C200)=C		-231,935	-239,228
Net Cash Flow (A+/-B+/-C)		-423,113	-221,870
D. 100	***Plus:*** **Cash and cash equivalents at the beginning of the year**		
	1. Cash and balances with central banks	891,424	1,192,946
	2. Amounts due from other banks	1,341,195	1,261,543
Total cash at the beginning of the year (D.100)		2,232,619	2,454,489
	Plus: **Cash and cash equivalents at the end of the year**		
	1. Cash and balances with central banks	928,778	891,424
	2. Amounts due from other banks	880,728	1,341,195
Total cash at the end of the year		1,809,506	2,232,619

Notes:

The Bank EFG Eurobank Ergasias merged via absorption during financial year 2003 the following entities: a) Ergoinvest S.A. on 10.4.2003 with local accounting and tax reference date of 7 November 2002 b) Ergoinvest Advisors S.A. on 7.10.2003 with local accounting and tax reference date of 30.4.2003 c) Investment Development Fund S.A. on 11.11.2003 with local accounting and tax reference date 30.4.2003 d) Unitbank S.A. on 15.12.2003 with local accounting and tax reference date 31.12.2002

Athens, March 12, 2004

THE CHAIRMAN OF THE BOARD
OF DIRECTORS
Xenophon C. Nickitas
I.D. No Θ - 914611

THE CHIEF
EXECUTIVE OFFICER
Nicholas C. Nanopoulos
I.D. No Σ – 237468

THE CHIEF FINANCIAL OFFICER
Paula N. Hadjisotiriou
I.D. No T – 005040

THE CHIEF ACCOUNTANT
Dimitrios K. Mitrotolis
I.D. No Π – 064395

AUDIT CERTIFICATION

“We have audited the consolidated Cash Flow Statement of EFG Eurobank Ergasias S.A. for the year ended 31 December 2003. The consolidated Cash Flow Statement has been prepared according to the books and records maintained by the Group and also on the basis of the audited financial statements for the year then ended for which we have issued our audit opinion dated 26 February 2004.

In our opinion the Cash Flow Statement presents fairly the consolidated cash inflows and outflows from Group’s activities for the year ended 31 December 2003.

Athens, March 18, 2004

Certified Auditors / Accountants
PricewaterhouseCoopers S.A.

PRICEWATERHOUSECOOPERS

K. RIRIS
SOEL Reg. No 12111

A.PAPAGEORGIOU
SOEL Reg. No 11691

AUDITED CONSOLIDATED AND NON-CONSOLIDATED CASHFLOW STATEMENTS OF THE BANK FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2004

ΤΡΆΠΕΖΑ EFG EUROBANK ERGASIAS A.E.
Αρ. Μ.Α.Ε 6068/06/Β/86/07

CONSOLIDATED CASH FLOW STATEMENT
For the period 01.01-31.12.2004

S/N	ANALYSIS	01.01-31.12.04	01.01-31.12.03
		Millions of euro	
Cash Flow from operating activities			
Cash inflows			
A.101	Interest and commissions receivable and similar income	2,226	1,694
A.102	Income from securities	114	118
A.103	Other income	3	2
A.104	Trading results	358	357
A.105	Proceeds from sale of trading securities	175,264	226,823
A.106	Proceeds from sale of treasury bills	8,086	4,539
A.108	Increase in deposits	940	1,658
A.109(b)	Deduct: increase in accrued income receivable	-55	-79
A.110(a)	Add: increase in deferred income	15	0
A.110(b)	Deduct: decrease in deferred income	0	-16
A.111(a)	Add: decrease in other assets	0	100
A.112	Proceeds from sale of auction items	4	11
Total cash inflows (A100)		186,955	235,207
Cash outflows			
A.201	Interest and commissions payable and similar charges	-1,028	-812
A.202	General administrative expenses	-628	-613
A.203	Other expenses	-29	-19
A.204	Trading results	-346	-509
A.205	Purchase of trading securities	-174,039	-226,674
A.206	Purchase of treasury bills	-8,504	-4,144
A.207	Increase in loans and advances to customers	-4,329	-3,055
A.209(a)	Add: increase in prepaid expenses	-13	-3
A.210(a)	Deduct: increase in accrued expenses	0	-28
A.210(b)	Add: increase in accrued expenses	127	0
A.211(a)	Add: decrease in other liabilities	-57	-25
A.211(b)	Deduct: increase in other assets	-78	0
A.212	Purchase of auction items	-5	-1
A.213	Taxes	-137	-81
Total cash outflows (A200)		-189,066	-235,964
Net cash from operating activities (A100-A200)=A		-2,111	-757

S/N	ANALYSIS	01.01-31.12.04	01.01-31.12.03
		Millions of euro	
Cash flows from investing activities			
Cash inflows			
B.101	Proceeds from sale of participations and other investments	5,724	2,601
B.102	Proceeds from sale of intangible assets	154	5
B.103	Income from participations and other investments	212	235
B.104	Other income	4	3
Total cash inflows (B100)		6,094	2,844
Cash outflows			
B.201	Purchase of participations and other investments	-5,982	-3,804
B.202	Purchase of intangible assets	-263	-113
Total cash outflows (B200)		-6,245	-3,917
Net cash from investing activities (B100-B200)=B		-151	-1,073
Cash flows from financing activities			
Cash inflows			
C.101	Increase in obligations evidenced by paper	2,153	1,795
C.102	Increase in subordinated debt	400	0
C.103	Proceeds from share capital increases	22	6
C.104	Proceeds from sale of treasury shares	105	6
Total cash inflows (C100)		2,680	1,807
Cash outflows			
C.204	Purchase of treasury shares	-53	-88
C.207	Dividends	-272	-165
C.208	Distributions to employees	-12	-10
Total cash outflows (C200)		-337	-263
Net cash from financing activities (C100-C200)=C		2,343	1,544
Net Cash Flow (A+/-B+/-C)		81	-286
D.100	***Plus:*** **Cash and cash equivalents at the beginning of the year**		
	1. Cash and balances with central banks	1,199	1,089
	2. Amounts due from other banks	886	1,282
Total cash at the beginning of the year (D.100)		2,085	2,371
	Plus: **Cash and cash equivalents at the end of the year**		
	1. Cash and balances with central banks	1,552	1,199
	2. Amounts due from other banks	614	886
Total cash at the end of the year		2,166	2,085

ATHENS FEBRUARY 22, 2005

THE CHAIRMAN OF THE BOARD
OF DIRECTORS
Xenophon C. Nickitas
I.D. No Θ - 914611

THE CHIEF
EXECUTIVE OFFICER
Nicholas C. Nanopoulos
I.D. No Σ – 237468

THE CHIEF FINANCIAL OFFICER
Paula N. Hadjisotiriou
I.D. No T – 005040

THE CHIEF ACCOUNTANT
Dimitrios K. Mitrotolis
I.D. No Π – 064395

AUDIT CERTIFICATION

We have audited the consolidated Cash Flow Statement of EFG Eurobank Ergasias S.A. for the year ended 31 December 2004. The consolidated Cash Flow Statement has been prepared according to the books and records maintained by the Group and also on the basis of the audited financial statements for the year then ended for which we have issued our audit opinion dated 24 February 2005.

In our opinion the Cash Flow Statement presents fairly the consolidated cash inflows and outflows from Group's activities for the year ended 31 December 2004.

Athens, 24 February 2005

Certified Auditors / Accountants
PricewaterhouseCoopers S.A.

K. RIRIS
SOEL Reg. No 12111

A.PAPAGEORGIOU
SOEL Reg. No 11691

ΤΡΆΠΕΖΑ EFG EUROBANK ERGASIAS A.E.
Αρ. Μ.Α.Ε 6068/06/Β/86/07

CASH FLOW STATEMENT
for the period 01.01-31.12.2004

S/N	ANALYSIS	01.01-31.12.04	01.01-31.12.03
		millions of euro	
	Cash flows from operating activities		
	Cash inflows		
A.101	Interest and commissions receivable and similar income	1,851	1,440
A.102	Income from securities	54	117
A.103	Other income	3	2
A.104	Trading results	358	345
A.105	Proceeds from sale of trading securities	174,924	226,590
A.106	Proceeds from sale of treasury bills	8,086	4,539
A.108	Increase in deposits	2,870	2,848
A.109(b)	Deduct: increase in accrued income receivable	-40	-82
A.110(a)	Add: increase in deferred income	7	3
A.111(a)	Add: decrease in other assets	0	65
A.112	Proceeds from sale of auction items	4	11
	Total cash inflows (A100)	188,117	235,878
	Cash outflows		
A.201	Interest and commissions payable and similar charges	-1,068	-718
A.202	General administrative expenses	-439	-469
A.203	Other expenses	-22	-13
A.204	Trading results	-346	-509
A.205	Purchase of trading securities	-173,639	-226,375
A.206	Purchase of treasury bills	-8,504	-4,144
A.207	Increase in loans and advances to customers	-3,998	-2,329
A.209(a)	Add: increase in prepaid expenses	0	-4
A.209(b)	Deduct: decrease in prepaid expenses	1	0
A.210(a)	Deduct: increase in accrued expenses	0	-23
A.210(b)	Add: increase in accrued expenses	116	0
A.211(a)	Add: decrease in other liabilities	-39	-63
A.211(b)	Deduct: increase in other assets	-11	0
A.212	Purchase of auction items	-5	-1
A.213	Taxes	-86	-64
	Total cash outflows (A200)	-188,040	-234,712
	Net cash from operating activities (A100-A200)=A	77	1,166

S/N	ANALYSIS	01.01-31.12.04	01.01-31.12.03
		millions of euro	
Cash flows from investing activities			
Cash inflows			
B.101	Proceeds from sale of participations and other investments	5,154	2,335
B.102	Proceeds from sale of intangible assets	1	5
B.103	Income from participations and other investments	242	161
B.104	Other income	6	3
Total cash inflows (B100)		5,403	2,504
Cash outflows			
B.201	Purchase of participations and other investments	-5,432	-3,793
B.202	Purchase of intangible assets	-82	-67
Total cash outflows (B200)		-5,514	-3,860
Net cash from investing activities (B100-B200)=B		-111	-1,356
Cash flows from financing activities			
Cash inflows			
C.102	Increase in subordinated debt	398	0
C.103	Proceeds from share capital increases	22	6
C.104	Proceeds from sale of treasury shares	105	0
Total cash inflows (C100)		525	6
Cash outflows			
C.204	Purchase of treasury shares	-53	-86
C.207	Dividends	-272	-142
C.208	Distributions to employees	-9	-10
Total cash outflows (C200)		-334	-238
Net cash from financing activities (C100-C200)=C		191	-232
Net Cash Flow (A+/-B+/-C)		157	-422
D.100	***Plus:*** **Cash and cash equivalents at the beginning of the year**		
	1. Cash and balances with central banks	929	891
	2. Amounts due from other banks	881	1,341
Total cash at the beginning of the year (D.100)		1,810	2,232
	Plus: **Cash and cash equivalents at the end of the year**		
	1. Cash and balances with central banks	1,112	929
	2. Amounts due from other banks	855	881
Total cash at the end of the year		1,967	1,810

ATHENS FEBRUARY 22, 2005

THE CHAIRMAN OF THE BOARD OF DIRECTORS **Xenophon C. Nickitas** I.D. No Θ - 914611	THE CHIEF EXECUTIVE OFFICER **Nicholas C. Nanopoulos** I.D. No Σ – 237468
THE CHIEF FINANCIAL OFFICER **Paula N. Hadjisotiriou** I.D. No T – 005040	THE CHIEF ACCOUNTANT **Dimitrios K. Mitrotolis** I.D. No Π – 064395

AUDIT CERTIFICATION

We have audited the Cash Flow Statement of EFG Eurobank Ergasias S.A. for the year ended 31 December 2004. The Cash Flow statement has been prepared according to the books and records maintained by the Bank and also on the basis of the audited financial statements for the year then ended for which we have issued our audit opinion dated 24 February 2005.

In our opinion the Cash Flow Statement presents fairly the cash inflows and outflows from Bank's activities for the year ended 31 December 2004.

Athens, 24 February 2005

Certified Auditors / Accountants
PricewaterhouseCoopers S.A.

PRICEWATERHOUSECOOPERS

K. RIRIS SOEL Reg. No 12111	**A.PAPAGEORGIOU** SOEL Reg. No 11691

EFG Eurobank

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

31 MARCH 2005

EFG EUROBANK ERGASIAS SA

Consolidated Interim Financial Statements for the three months ended 31 March 2005

Index to the consolidated interim financial statements

EFG EUROBANK ERGASIAS S A

Consolidated Interim Income Statement
for the period ended 31 March 2005

		Three months ended 31 March	
		2005	2004
	Note	**€ million**	€ million
Interest and discount income	6	**598**	457
Interest expense	6	**(290)**	(211)
Net interest income		**308**	246
Banking fee and commission income		**121**	94
Banking fee and commission expense		**(32)**	(27)
Net banking fee and commission income		**89**	67
Net insurance income		**4**	4
Non banking services		**7**	6
Core income		**408**	323
Dividend income		**-**	1
Net trading income/(loss)		**7**	2
Gains less losses from other securities		**12**	17
Other operating income		**1**	1
		20	21
Operating income		**428**	344
Operating expenses	7	**(203)**	(186)
Impairment losses on loans and advances	19	**(71)**	(45)
Profit from operations		**154**	113
Share of results of associates before tax	22	**2**	1
Profit before tax		**156**	114
Income tax expense	9	**(45)**	(32)
Profit after tax		**111**	82
Minority interest		**(2)**	(2)
Net profit for the period attributable to shareholders		**109**	80

	Note	**€**	**€**
Earnings per share			
- basic	11	0.35	0.26
- diluted	11	0.35	0.26

The notes on pages 6 to 38 form an integral part of these consolidated interim financial statements

EFG EUROBANK ERGASIAS SA

Consolidated Interim Balance Sheet at 31 March 2005

	Note	31 March 2005 € million	31 December 2004 € million
ASSETS			
Cash and balances with central banks	12	**1,277**	1,510
Treasury bills and other eligible bills	14	**292**	514
Due from other banks	15	**1,385**	733
Trading securities	16	**1,543**	1,974
Derivative financial instruments	17	**323**	255
Loans and advances to customers	18	**22,657**	21,231
Available-for-sale investment securities	20	**6,240**	5,485
Investments in associated undertakings	22	**93**	57
Intangible assets	23	**68**	68
Property, plant and equipment	24	**750**	741
Other assets	25	**482**	478
Total assets		**35,110**	33,046
LIABILITIES			
Due to other banks	26	**5,852**	5,361
Derivative financial instruments	17	**606**	625
Due to customers	27	**18,232**	18,208
Liabilities evidenced by paper	28	**6,973**	5,771
Other liabilities	29	**976**	901
Total liabilities		**32,639**	30,866
EQUITY			
Share capital	31	**925**	926
Share premium	31	**496**	501
Othe r reserves		**785**	675
Total shareholders' equity		**2,206**	2,102
Minority interest		**265**	78
Total shareholders' equity and minority interest		**2,471**	2,180
Total equity and liabilities		**35,110**	33,046

The notes on pages 6 to 38 form an integral part of these consolidated interim financial statements

EFG EUROBANK ERGASIAS SA

Consolidated Interim Statement of Changes in Equity
for the period ended 31 March 2005

	Note	Share capital € million	Share premium € million	Special reserves € million	Retained earnings € million	Total € million	Minority interest € million
		Attributable to equity holders of the Bank					
Balance at 1 January 2004		903	459	784	(193)	1,953	105
Cash flow hedges							
- net changes in fair value, net of tax		-	-	(10)	-	(10)	-
- transfer to net profit, net of tax		-	-	7	-	7	-
Available-for-sale securities						-	
- net changes in fair value, net of tax		-	-	55	-	55	1
- transfer to net profit, net of tax		-	-	(73)	-	(73)	-
Currency translation differences		-	-	3	-	3	-
Net income/(expense) recognised directly in equity		-	-	(18)	-	(18)	1
Profit for the period		-	-	-	80	80	2
Total recognised income for the three months ended 31 March 2004		-	-	(18)	80	62	3
Increase in Group's holding in subsidiaries		-	-	-	-	-	(18)
Purchase of treasury shares		(7)	(32)	-	-	(39)	-
Sale of treasury shares		14	53	8	-	75	-
		7	21	8	-	36	(18)
Balance at 31 March 2004		910	480	774	(113)	2,051	90
Balance at 1 April 2004		910	480	774	(113)	2,051	90
Cash flow hedges							
- net changes in fair value, net of tax		-	-	1	-	1	-
- transfer to net profit, net of tax		-	-	3	-	3	-
Available-for-sale securities							
- net changes in fair value, net of tax		-	-	105	-	105	(1)
- transfer to net profit, net of tax		-	-	(79)	-	(79)	-
- net changes in fair value, net of tax - associated undertakings		-	-	11	-	11	-
- transfer to net profit, net of tax - associated undertakings		-	-	(4)	-	(4)	-
Currency translation differences		-	-	(3)	-	(3)	-
Net income/(expense) recognised directly in equity		-	-	34	-	34	(1)
Profit for the period		-	-	-	260	260	10
Total recognised income for the period 1 April 2004 to 31 December 2004		-	-	34	260	294	9
Issue of share capital - capitalisation of retained earnings	31	5	-	-	(5)	-	-
Increase in Group's holding in subsidiaries		-	-	-	-	-	(25)
Minority's share of capital increase of subsidiaries		-	-	-	-	-	6
Dividend for 2003	46	-	-	-	(185)	(185)	-
Interim dividend for 2004	46	-	-	-	(94)	(94)	-
Dividend paid by subsidiaries attributable to minority interest		-	-	-	-	-	(2)
Reserve transfers		-	-	(213)	213	-	-
Purchase of treasury shares		(3)	(12)	-	-	(15)	-
Sale of treasury shares		5	20	4	-	29	-
Share capital increase due to share options exercised	31	9	13	-	-	22	-
		16	21	(209)	(71)	(243)	(21)
Balance at 31 December 2004		926	501	599	76	2,102	78
Balance at 1 January 2005		926	501	599	76	2,102	78
Cash flow hedges							
- net changes in fair value, net of tax		-	-	(5)	-	(5)	-
- transfer to net profit, net of tax		-	-	7	-	7	-
Available-for-sale securities							
- net changes in fair value, net of tax		-	-	5	-	5	-
- transfer to net profit, net of tax		-	-	(6)	-	(6)	-
- net changes in fair value, net of tax - associated undertakings		-	-	1	-	1	-
Currency translation differences		-	-	(1)	-	(1)	-
Net income/(expense) recognised directly in equity		-	-	1	-	1	-
Profit for the period		-	-	-	109	109	2
Total recognised income for the three months ended 31 March 2005		-	-	1	109	110	2
Issue of preferred securities	32	-	-	-	-	-	186
Dividend paid by subsidiaries attributable to minority interests		-	-	-	-	-	(1)
Purchase of treasury shares	31	(1)	(5)	-	-	(6)	-
		(1)	(5)	-	-	(6)	185
Balance at 31 March 2005		**925**	**496**	**600**	**185**	**2,206**	**265**

An analysis of special reserves is presented in note 34.

The notes on pages 6 to 38 form an integral part of these consolidated interim financial statements

EFG EUROBANK ERGASIAS S.A.

Consolidated Interim Cash Flow Statement
for the period ended 31 March 2005

		Three months ended 31 March	
		2005	2004
	Note	€ million	€ million
Cash flows from operating activities			
Interest received and net trading receipts		**430**	349
Interest paid		**(270)**	(205)
Fee and commission received		**129**	96
Fee and commission paid		**(31)**	(8)
Dividend received		**-**	1
Other income received		**2**	6
Cash payments to employees and suppliers		**(159)**	(134)
Cash flows from operating profits before changes in operating assets and liabilities		**101**	105
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		**29**	(16)
Net (increase)/decrease in treasury bills and other eligible bills		**132**	(21)
Net (increase)/decrease in trading securities		**1,235**	168
Net (increase)/decrease in due from other banks		**(58)**	(9)
Net (increase)/decrease in loans and advances to customers		**(1,381)**	(1,399)
Net (increase)/decrease in other assets		**(50)**	9
Net increase/(decrease) in due to other banks		**484**	1,186
Net increase/(decrease) in due to customers		**24**	349
Net increase/(decrease) in other liabilities		**(23)**	72
Net cash from operating activities		**493**	444
Cash flows from investing activities			
Purchases of property, plant and equipment		**(16)**	(14)
Proceeds from sale of property, plant and equipment		**4**	9
Purchases of available-for-sale investment securities		**(1,258)**	(609)
Proceeds from sale of available-for-sale investment securities		**506**	678
Acquisition of associated undertakings		**(33)**	-
Net contributions by minority interest		**186**	(17)
Net cash from investing activities		**(611)**	47
Cash flows from financing activities			
Proceeds from liabilities evidenced by paper		**3,566**	1,965
Repayments of liabilities evidenced by paper		**(2,367)**	(1,493)
Purchases of treasury shares		**(6)**	(39)
Proceeds from sale of treasury shares		**-**	75
Net cash from financing activities		**1,193**	508
Effect of exchange rate changes on cash and cash equivalents		**25**	2
Net increase/(decrease) in cash and cash equivalents		**1,100**	1,001
Cash and cash equivalents at beginning of period	13	**2,247**	2,646
Cash and cash equivalents at end of period	13	**3,347**	3,647

The notes on pages 6 to 38 form an integral part of these consolidated interim financial statements

1. General information

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

These consolidated interim financial statements were approved by the Board of Directors on 28 June 2005.

2. Principal accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below:

(a) Basis of preparation

The March 2005 interim consolidated financial statements are for the three months ended 31 March 2005. They have been prepared in accordance with IAS 34, Interim Financial Reporting and are covered by IFRS 1 (First-time Adoption of International Financial Reporting Standards) as part of the period covered by the Group's first IFRS financial statements for the year ended 31 December 2005. These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.

The policies set out below have been consistently applied to the years 2004 and 2005. The Group has early adopted revised IAS 32 (Financial Instruments: Disclosure and Presentation) and revised IAS 39 (Financial Instruments: Recognition and Measurement) from 1 January 2004. The policies applied to financial instruments for 2004 and 2005 are disclosed separately below.

The consolidated financial statements were prepared in accordance with Greek Generally Accepted Accounting Principles (GR GAAP) until 31 December 2004. In preparing the 2005 interim consolidated financial statements, management has amended certain accounting, valuation and consolidation methods applied in the GR GAAP financial statements to comply with IFRS. The comparative figures in respect of 2004 were restated to reflect these adjustments.

Reconciliations and descriptions of the effect of the transition from GR GAAP to IFRS on the Group's equity and its net income and cash flow are provided in Note 4.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and of financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The Group's presentation currency is the Euro (EUR or€) being the functional currency of the parent Company.

(b) Consolidation

(i) Subsidiaries
Subsidiary undertakings are all entities over which the Group, directly or indirectly, has power to exercise control over the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments or liabilities undertaken at the date of acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The Group sponsors the formation of special purpose entities, which may or may not be directly owned subsidiaries for the purpose of asset securitisation (see accounting policy w below). The entities may acquire assets directly from the Bank. These companies are bankruptcy-remote entities and are consolidated in the Group's Financial Statements when the substance of the relationship between the Group and the entity indicates that the entity is controlled by the Group.

Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

A listing of the Company's subsidiaries is set out in note 21.

(ii) Associates
Investments in associated undertakings are accounted for by the equity method of accounting in the consolidated financial statements. These are undertakings over which the Group exercises significant influence but which it does not control.

Equity accounting involves recognising in the income statement the Group's share of the associate's profit or loss for the year. The Group's interest in the associate is carried on the balance sheet at an amount that reflects its share of the net assets of the associate and any goodwill identified on acquisition net of any accumulated impairment losses. Where necessary the accounting policies used by the associate have been changed to ensure consistency with the policies of the Group.

A listing of the Group's associate undertakings, which are accounted for using the equity method, is shown in note 22.

2. Principal accounting policies (continued)

(c) Foreign currencies

Assets and liabilities of foreign subsidiaries are translated using the closing exchange rate and income statement items at the average exchange rate for the period reported. All resulting exchange differences are recognised as a separate component of equity (cumulative translation adjustment).

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries are taken to shareholders' equity until disposal of the net investments and then released to the income statement.

Assets and liabilities denominated in foreign currencies have been translated into the functional currency at the market rates of exchange ruling at the balance sheet date and exchange differences are accounted for in the income statement.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(d) Derivative financial instruments and hedging

Derivative financial instruments, including foreign exchange contracts, forward currency agreements and interest rate options (both written and purchased), currency and interest rate swaps, and other derivative financial instruments, are initially recognised in the balance sheet at fair value on the date on which a derivative contract is entered and subsequently are re-measured at their fair value. Fair values are obtained from quoted market prices, including recent market transactions, discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (ie, the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (ie, without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises profits on day 1.

Certain derivatives, embedded in other financial instruments, are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedge); or, (2) hedges of the exposure to variability in cash flows of recognised assets or liabilities or highly probable forecasted transactions (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(iii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

2. Principal accounting policies (continued)

(d) Derivative financial instruments and hedging (continued)

(iv) Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

The fair values of derivative instruments held for trading and hedging purposes are disclosed in note 17.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Income statement

(i) Interest income and expenses
Interest income and expenses are recognised in the income statement for all interest bearing instruments on an accruals basis, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Fees and commissions
Fees and commissions are generally recognised on an accruals basis. Commissions and fees relating to foreign exchange transactions, imports-exports, remittances, bank charges and brokerage activities are recognised on the completion of the underlying transaction.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment are periodically reviewed for impairment, with any impairment charge being recognised immediately in the income statement.

Depreciation is calculated on the straight-line method to write down the cost of property, plant and equipment, to their residual values over their estimated useful life as follows:
- Land: No depreciation
- Freehold buildings: 40-50 years
- Leasehold improvements: over the life of the lease contract
- Computer hardware and software: 4-5 years
- Other furniture and equipment: 4-20 years
- Motor vehicles: 5-6.6 years

Property held for rental yields and/or capital appreciation that is not occupied by the companies in the Group is classified as investment property. Investment property is carried at cost less accumulated depreciation and accumulated impairment losses.

Costs associated with the in-house development and maintenance of existing computer software programmes are expensed as incurred. Third party costs associated with the development and implementation of new computer software programmes are recognised as capital improvements and added to, and treated the same way as, the cost of new software.

(h) Intangible assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in ‘intangible assets’. Goodwill on acquisitions of associates is included in ‘investments in associates’. The carrying amount of goodwill is reviewed annually. Where indications of impairment exist, the carrying amount of goodwill is re-assessed and written down to recoverable amount.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other intangible assets
Other intangible assets are assets related to contractual rights, which are amortised over the remaining contract terms.

(i) Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair-value-through-profit-or-loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair-value-through-profit-or-loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the entity upon initial recognition designates as at fair-value through profit-or-loss and those that the entity upon initial recognition designates as available-for-sale. They arise when the Group provides money, goods or services directly to a debtor.

(iii) Held-to-maturity
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group´s management has the positive intention and ability to hold to maturity. Were the Group to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

2. Principal accounting policies (continued)

(i) Financial Assets (continued)

(iv) Available-for-sale
Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

(v) Accounting treatment and calculation
Purchases and sales of financial assets at-fair-value-through-profit-or-loss, held-to-maturity and available-for-sale are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Loans are recognised when cash is advanced to the borrowers. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair-value-through-profit-or-loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair-value-through-profit-or-loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair-value-through-profit-or-loss' category are included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity should be recognised in profit or loss. However, interest calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the entity's right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

(j) Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

a) significant financial difficulty of the issuer or obligor;
b) a breach of contract, such as a default or delinquency in interest or principal payments;
c) the Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e) the disappearance of an active market for that financial asset because of financial difficulties; or
f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
   - adverse changes in the payment status of borrowers in the group; or
   - national or local economic conditions that correlate with defaults on the assets in the group.

(i) Assets carried at amortised cost
The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (ie, on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectable, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

2. Principal accounting policies (continued)

(j) Impairment of financial assets (continued)

(i) Assets carried at amortised cost (continued)
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(ii) Available-for-sale assets
In case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

(k) Sale and repurchase agreements and securities lending

(i) Sale and repurchase agreements
Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in amounts due to other banks or due to customers, as appropriate. Securities purchased under agreements to resell ("reverse repos") are recorded as loans and advances to other banks or customers as appropriate. The difference between the sale and repurchase price is treated as interest and accrued over the period of the repo agreements using the effective interest method.

(ii) Securities lending
Securities lent to counterparties are retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income. The obligation to return them is recorded at fair value as a trading liability.

(l) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

If the Group purchases its own debt, it is removed from the balance sheet, and the difference between the carrying amount of a liability and the consideration paid is included in gains less losses from other securities.

(m) Leases

(i) Accounting for leases as lessee
Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(ii) Accounting for leases as lessor
Finance leases:
When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating leases:
Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(n) Deferred income tax

Deferred income tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The expected effective tax rates are used to determine deferred income tax. The principal temporary differences arise from loan impairment, depreciation of fixed assets, pension and other retirement benefits obligations, and revaluation of certain financial assets and liabilities, including derivative instruments.

Deferred tax assets are only recognised to the extent that it is probable that they will crystallise in the future. Deferred tax related to changes in fair values of available-for-sale investments and cash flow hedges which are taken directly to equity is also charged or credited directly to equity, and is subsequently recognised in the income statement together with the deferred gain or loss.

Income tax payable on profits, based on the applicable tax law in each jurisdiction is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

2. Principal accounting policies (continued)

(o) Employee benefits

(i) Pension obligations
The Company participates in certain defined contribution pension plans under which the Group pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid.

The Group's contributions to defined contribution pension plans are recognised as employee benefit expense in the year to which they relate.

(ii) Staff separation indemnities
In accordance with Greek labour legislation, if employees remain in the employment of a company until normal retirement age, they are entitled to a lump sum payment which is based on the number of years of service and the level of remuneration at the date of retirement. Provision has been made for the actuarial value of the lump sum payable on retirement (retirement separation indemnity – SRI) using the projected unit credit method. Under this method the cost of providing retirement indemnities is charged to the income statement so as to spread the cost over the period of service of the employees, in accordance with actuarial valuations which are performed every year. The SRI obligation is calculated as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

In addition, the Company has enhanced the above provision by taking into consideration potential separations before normal retirement based on the terms of previous voluntary separation schemes. The Company recognises separation indemnity when it is demonstrably committed to separations either according to detailed formal plans which are announced and cannot be withdrawn or as a result of mutually agreed termination terms. Benefits payable in more than 12 months from the balance sheet date are discounted to present value.

(iii) Performance-based cash payments
The Group´s management awards high performing employees with bonuses in cash, from time to time, on a discretionary basis. Cash payments through payroll are recognised as employee benefit expenses on an accrual basis. Cash payments from the distribution of cash profits to staff are recognised as employee benefit expense in the accounting period that they are approved by the Company's shareholders.

(iv) Share-based payments
The Group's management awards high-performing employees with bonuses in the form of shares and share options, from time to time, on a discretionary basis. The shares vest in the period granted. The fair value of the shares granted is recognised as an employee benefit expense with a corresponding increase in share capital (par value) and share premium.

Following vesting periods of 20 to 32 months, the options are exercisable on alternative dates within a 24 or 36 month period, only if the holders are still employed by the Group. The fair value of the options granted is recognised as an employee benefit expense with a corresponding increase in a non-distributable reserve over the vesting and exercise period. The proceeds received net of any directly attributable transaction costs are credited to share capital (par value) and share premium when the options are exercised, with a transfer of the non distributable reserve to share premium.

(p) Insurance contracts

On 1 January 2005, the Group adopted IFRS 4 (Insurance Contracts) issued on 31 March 2004 by the IASB, which applies to all insurance contracts written and reinsurance contracts held. Insurance contracts are those contracts that transfer significant insurance risk to the Group. Contracts that transfer financial risk with no significant insurance risk are treated as investment contracts. The adoption of this new standard did not have a material effect on the consolidated statements.

(q) Repossessed properties

Land and buildings repossessed through the auction process to recover impaired loans are, except where otherwise stated, included in "Other Assets". Assets acquired from the auction process are held temporarily for liquidation and are valued at the lower of cost and net realisable value. Any gains or losses on liquidation are included in "Other operating income".

(r) Related party transactions

Related parties include associates, fellow subsidiaries, directors, their close families, companies owned or controlled by them and companies whose financial and operating policies they can influence. Transactions of similar nature are disclosed on an aggregate basis. All banking transactions entered into with related parties are in the normal course of business and on an arm's length basis.

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligation can be made.

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment. The Group is organised into five main business segments. Segment revenue, segment expenses and segment performance include transfers between business segments. Such transfers are accounted for at competitive prices in line with charges to unaffiliated customers for similar services.

(u) Share Capital

Ordinary shares and callable non-voting preference shares with non-cumulative dividend are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Dividend distribution on ordinary shares is recognised as a deduction in the Group's equity when approved by the Company's shareholders.

Where any Group company or its subsidiaries purchases the Company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2. Principal accounting policies (continued)

(v) Derecognition

The Group enters into transactions where it transfers assets recognised on its balance sheet, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the Balance Sheet. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset, if control over the asset is lost.

(w) Securitisations

The Group securitises various financial assets, which generally results in the sale of the assets to special purpose entities (see accounting policy b (i) above), which, in turn issue securities to investors. Interests in the securitised financial assets may be retained in the form of subordinated tranches or other residual interests.

(x) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank drafts.

3. Critical accounting estimates and judgements in applying accounting policies.

In the process of applying the Group's accounting policies, the Group's management makes various judgments, estimates and assumptions that affect the reported amounts of assets and liabilities recognized in the financial statements within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment continuously. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(b) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered an impairment in accordance with the accounting policy stated in Note 2 h(i). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations are based on profitability and cash flow projections, which require the use of estimates such as growth rates for revenues and expenses and profit margins.

(c) Fair value of financial instruments

The fair value of financial instruments that are not quoted in an active market are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the personnel that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of available for sale equity investments

The Group determines that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value of the equity investments below their cost. In determining what is significant or prolonged the Group's management exercises judgment. In making this judgement, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

(e) Securitisations and special purpose entities

The Group sponsors the formation of special purpose financing entities (SPEs) for various purposes including asset securitisation. The Group may or may not directly own the SPEs and consolidates those SPEs that it controls. In determining whether the Group controls an SPE, it makes judgements about its exposure to the risks and rewards related to the SPE and about its ability to make operational decisions for the SPE in question.

(f) Income taxes

The Group is subject to income taxes in various jurisdictions and estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. Transition to IFRS

4.1 Basis of transition to IFRS

4.1.1 Application of IFRS 1

The Group's interim consolidated financial statements for the three month period ended 31 March 2005 are the Group's first interim consolidated financial statements that comply with IFRS. These interim consolidated financial statements have been prepared as described in note 2a. The Group has applied IFRS 1 in preparing these consolidated interim financial statements.

The Group's transition date to IFRS is 1 January 2004 and the Group prepared its opening IFRS balance sheet at that date. The reporting date of these interim consolidated financial statements is 31 March 2005. The Group's IFRS adoption date is 1 January 2005.

In preparing these interim consolidated financial statements in accordance with IFRS 1 the Group has applied the mandatory exceptions and certain of the optional exemptions from full retrospective application of IFRS as detailed below.

4. Transition to IFRS (continued)

4.1 Basis of transition to IFRS (continued)

4.1.2 Use of IFRS 1 optional exemptions from full retrospective application of IFRS

The Group has used certain of the IFRS 1 optional exemptions from full retrospective application of IFRS as detailed below:

(a) Business combinations exemption
The Group has applied the business combinations exemption in IFRS 1. It has not restated business combinations that took place prior to the 1 January 2004 transition date.

(b) Fair value as deemed cost exemption
The Group has elected to measure all own-use properties and one investment property at fair value at 1 January 2004 and retain these values as deemed cost at 1 January 2004. The valuation of own use property performed at 1 January 2004 assessed the fair value of property at € 175 million compared to a carrying amount of € 98 million under Greek GAAP. The valuation of the investment property performed at 1 January 2004 assessed its fair value at € 43 million compared to a carrying amount of€ 6 million under Greek GAAP.

(c) Insurance contracts exemption
The Group elected to apply this exemption and hence applied the transitional provisions of IFRS 4, according to which comparatives need not be restated.

4.1.3 Exceptions from full retrospective application followed by the Group

The hedge accounting exception from retrospective application, as required by IFRS1, is the only mandatory exception applicable to the Group. The management has applied hedge accounting from 1 January 2004, the IAS 32/IAS 39 transition date, where the hedging relationship met all the hedge accounting criteria under IAS 39.

4.2 Reconciliations between IFRS and Greek GAAP

The following reconciliations provide details of the impact of the transition to IFRS on:
- consolidated shareholders' equity (Note 4.2.1)
- consolidated balance sheet at 1 January 2004 (Note 4.2.2),
- consolidated balance sheet at 31 March 2004 (Note 4.2.3),
- consolidated balance sheet at 31 December 2004 (Note 4.2.4),
- consolidated income statement for the three month period ended 31 March 2004 (Note 4.2.5),
- consolidated income statement for the year ended 31 December 2004 (Note 4.2.6).

Under Greek GAAP the Group did not present a cash flow statement for the three months ended 31 March 2004. Therefore, these interim consolidated financial statements do not present an explanation of how the transition from Greek GAAP to IFRS has affected the Group's cash flows.

4.2.1 Summary impact on consolidated shareholders' equity of transition from Greek GAAP to IFRS

	1 Jan 2004 € million	31 Mar 2004 € million	31 Dec 2004 € million
Total equity under Greek GAAP	1,793	1,914	1,940
Effect of fair valuation of available for sale investments net of deferred tax (IAS 39)	145	168	229
Effect of fair valuation of hedging derivatives and application of hedge accounting net of deferred tax (IAS 39)	(107)	(152)	(185)
Effect of application of effective interest method net of deferred tax (IAS 18 and IAS 39)	(18)	(18)	(22)
Effect of application of discounting of expected cash flows in determination of loan impairment net of deferred tax (IAS 39)	(31)	(32)	(36)
Recognition of goodwill arising from business combinations in 2004 (IFRS 3)	-	-	51
Recognition of intangibles from 2004 business combinations (IFRS 3, IAS 38)	-	-	17
Recording of impairment of properties, write off of Greek GAAP capitalised expenses, revised depreciation charge according to useful economic lives, and use of fair value as deemed cost for all own use property and one investment property net of deferred tax (IAS 16, IAS 17, IAS 36, IAS 40)	36	38	28
Recognition of proposed dividends when approved by shareholders (IAS 10)	185	185	132
Additional employee benefit provisions for possible separations and for potential pension fund obligations net of deferred tax and cash profit distributions (IAS 19)	(39)	(43)	(50)
Cumulative impact of other items	(11)	(9)	(2)
Total shareholders' equity under IFRS	1,953	2,051	2,102

Major differences between Greek GAAP and IFRS which are relevant to the Group are analysed in sections 4.3 and 4.4.

4. Transition to IFRS (continued)

4.2 Reconciliations between IFRS and Greek GAAP (continued)

4.2.2 Consolidated balance sheet reconciliation at 1 January 2004

	Note 4.3.	GR GAAP € million	Transition Adjustments € million	IFRS € million
ASSETS				
Cash and balances with central banks	a	1,199	(40)	1,159
Due from other banks	b	886	245	1,131
Loans and advances to customers	c	16,333	147	16,480
Securities (excluding derivatives)	d	8,008	346	8,354
Investments in associated undertakings		19	-	19
Fixed assets (tangible and intangible excluding goodwill)	e	655	80	735
Goodwill	f	-	-	-
Other assets (including derivatives)	g	930	(191)	739
Total assets		28,030	587	28,617
LIABILITIES AND EQUITY				
Due to other banks	b	5,224	411	5,635
Due to customers	b	17,309	(38)	17,271
Liabilities evidenced by paper	h	2,515	-	2,515
Other liabilities (including derivatives)	i	1,066	72	1,138
Shareholders' Equity	j	1,793	160	1,953
Minority interest	j	123	(18)	105
Total liabilities and equity		28,030	587	28,617

4.2.3 Consolidated balance sheet reconciliation at 31 March 2004

	Note 4.3.	GR GAAP € million	Transition Adjustments € million	IFRS € million
ASSETS				
Cash and balances with central banks	a	967	(35)	932
Due from other banks	b	680	2,326	3,006
Loans and advances to customers	c	17,384	552	17,936
Securities (excluding derivatives)	d	7,527	33	7,560
Investments in associated undertakings		21	(2)	19
Fixed assets (tangible and intangible excluding goodwill)	e	644	77	721
Goodwill	f	-	-	-
Other assets (including derivatives)	g	924	(233)	691
Total assets		28,147	2,718	30,865
LIABILITIES AND EQUITY				
Due to other banks	b	4,872	1,949	6,821
Due to customers	b	17,211	433	17,644
Liabilities evidenced by paper	h	2,986	-	2,986
Other liabilities (including derivatives)	i	1,052	221	1,273
Shareholders' Equity	j	1,914	137	2,051
Minority interest	j	112	(22)	90
Total liabilities and equity		28,147	2,718	30,865

4.2.4 Consolidated balance sheet reconciliation at 31 December 2004

	Note 4.3.	GR GAAP € million	Transition Adjustments € million	IFRS € million
ASSETS				
Cash and balances with central banks	a	1,552	(42)	1,510
Due from other banks	b	614	119	733
Loans and advances to customers	c	20,498	733	21,231
Securities (excluding derivatives)	d	7,444	529	7,973
Investments in associated undertakings		58	(1)	57
Fixed assets (tangible and intangible excluding goodwill)	e	672	86	758
Goodwill	f	-	51	51
Other assets (including derivatives)	g	1,101	(368)	733
Total assets		31,939	1,107	33,046
LIABILITIES AND EQUITY				
Due to other banks	b	5,265	96	5,361
Due to customers	b	18,209	(1)	18,208
Liabilities evidenced by paper	h	5,067	704	5,771
Other liabilities (including derivatives)	i	1,373	153	1,526
Shareholders' Equity	j	1,940	162	2,102
Minority interest	j	85	(7)	78
Total liabilities and equity		31,939	1,107	33,046

4. Transition to IFRS (continued)

4.2 Reconciliations between IFRS and Greek GAAP (continued)

4.2.5 Consolidated income statement reconciliation for the three months ended 31 March 2004

	Note 4.4.	GR GAAP € million	Transition Adjustments € million	IFRS € million
Net interest income	a	234	12	246
Net banking fee and commission income	a	84	(17)	67
Net insurance income	b	-	4	4
Non banking services	b	-	6	6
Core income		318	5	323
Non core income	c	30	(9)	21
Operating income		348	(4)	344
Operating expenses	d	(185)	(1)	(186)
Impairment losses on loans and advances	e	(38)	(7)	(45)
Profit from operations		125	(12)	113
Share of results of associates before tax		-	1	1
Profit before tax		125	(11)	114
Income tax expense		(34)	2	(32)
Profit after tax		91	(9)	82
Minority interest		(3)	1	(2)
Net profit for the period attributable to shareholders		88	(8)	80

4.2.6 Consolidated income statement reconciliation for the year ended 31 December 2004

	Note 4.4.	GR GAAP € million	Transition Adjustments € million	IFRS € million
Net interest income	a	1,038	56	1,094
Net banking fee and commission income	a	362	(74)	288
Net insurance income	b	-	18	18
Non banking services	b	-	27	27
Core income		1,400	27	1,427
Non core income	c	84	(22)	62
Operating income		1,484	5	1,489
Operating expenses	d	(759)	(13)	(772)
Impairment losses on loans and advances	e	(198)	(25)	(223)
Profit from operations		527	(33)	494
Share of results of associates before tax		-	6	6
Profit before tax		527	(27)	500
Income tax expense		(149)	1	(148)
Profit after tax		378	(26)	352
Minority interest		(10)	(2)	(12)
Net profit for the year attributable to shareholders		368	(28)	340

4.3 Explanation of adjustments to consolidated balance sheet items

The following analysis explains the material adjustments to consolidated balance sheet items at 1 January 2004, 31 March 2004 and 31 December 2004.

(a) ***Cash and balances with central banks***

The decrease in cash and balances with central banks under IFRS arose due to presentation differences.

(b) ***Due from other banks, Due to other banks and Due to customers***

(1) Under Greek GAAP debt instruments were recognised when settled whereas the accounting policy adopted by the Group under IAS 39 is trade date accounting. The impact of adoption of IAS 39 resulted in the recognition of assets and liabilities based on trade date accounting.

(2) Under IFRS reclassifications have been performed for accrued interest and other presentation differences.

(c) ***Loans and advances to customers***

(1) In June 2004 the Group proceeded with the securitisation of mortgage loans. Under Greek GAAP securitised assets were removed from the balance sheet and securitisation vehicles were not consolidated. Under IAS 39, IAS 27 and SIC 12 securitisation vehicles were consolidated and the consolidation has resulted in an increase in loans and advances.

(2) Under IFRS reclassifications have been performed for accrued interest and other presentation differences.

(3) Under IAS 39 loan impairment is calculated based on loss events and discounted estimated recoverable net cash flows, which has resulted in a decrease in loans and advances.

(4) Under Greek GAAP debt instruments were recognised when settled whereas the accounting policy adopted by the Group under IAS 39 is trade date accounting. The impact of adoption of IAS 39 was an increase in loans and advances to customers as a result of the recognition of assets based on trade date accounting.

4. Transition to IFRS (continued)

4.3 Explanation of adjustments to consolidated balance sheet items (continued)

(d) ***Securities (excluding derivatives)***

(1) Under Greek GAAP the investment portfolio was carried at the lower of total cost/amortised cost and market value. Under IAS 39 the investment portfolio has been classified as available for sale securities which are measured at fair value with fair value gains and losses recorded in equity. This fair valuation has resulted in an increase in the value of available for sale securities. Under Greek GAAP the impairment policy of equity instruments was already aligned with IAS 39 requirements.

(2) Under IFRS reclassifications have been performed for accrued interest.

(e) ***Fixed assets (tangibles and intangibles excluding goodwill)***

Under Greek GAAP fixed assets were carried at cost less accumulated depreciation and depreciation was calculated using specified tax rates. There is also a legal requirement for revaluation of properties every four years based on tax values. Under IFRS properties that are held for own use have been classified as property, plant and equipment and are accounted for in accordance with IAS 16 and property held to earn rentals and/or capital appreciation is classified as investment property and is accounted for under the cost model under IAS 40. Depreciation is charged over the useful economic life of assets. Expenses capitalised under GR GAAP were written-off and impairment of properties was recorded. The Group has elected to measure all own use properties and one investment property at fair value at 1 January 2004, following the IFRS1 optional exemption for fair value as deemed cost (4.1.2 (b)), and retain these values as deemed cost. The impact of the transition to IFRS in relation to the above items was an increase in fixed assets.

(f) ***Goodwill***

Under Greek GAAP business combinations were accounted for using the "pooling of interests method" with the tax reference date being the date of acquisition and any goodwill arising on acquisition was recorded directly in equity. The Group has applied the business combinations exemption in IFRS 1 and it has not restated business combinations that took place prior to the 1 January 2004 IFRS transition date (4.1.2 (a)). The Group's business combinations in 2004 have resulted in the recognition of goodwill during 2004.

(g) ***Other assets (including derivatives)***

The movement in other assets was mainly due to accrued interest reclassification differences and the fair valuation of hedging derivatives. Under Greek GAAP trading derivatives were fair valued whereas accrual accounting was used for hedging derivatives. In accordance with IAS 39 all derivatives are carried at fair value. The adjustment regarding the fair valuation of hedging derivatives has resulted in the recognition of hedging derivatives with positive fair value as assets.

(h) ***Liabilities evidenced by paper***

Under Greek GAAP securitisation vehicles were not consolidated. Under IAS 39, IAS 27 and SIC 12 securitisation vehicles were consolidated and the consolidation has resulted in an increase in liabilities evidenced by paper.

(i) ***Other liabilities (including derivatives)***

(1) Under Greek GAAP trading derivatives were fair valued whereas accrual accounting was used for hedging derivatives. In accordance with IAS 39 all derivatives are carried at fair value. The adjustment regarding the fair valuation of hedging derivatives has resulted in the recognition of hedging derivatives with negative fair value as liabilities.

(2) Under Greek GAAP dividends were recognised when proposed whereas under IAS 10 dividends are recognised when approved by the shareholders. The transition to IFRS has resulted in a reduction in liabilities in relation to proposed dividends that are to be recognised when approved by the shareholders.

(3) Under Greek GAAP provisions for employee benefits were recognised in accordance with the Greek Labour legislation solely for staff retirement indemnity. Under IAS 19 the Group provides for staff retirement indemnity and potential separations before normal retirement which has resulted in an increase in liabilities.

(j) ***Shareholders' equity and minority interest***

The above adjustments were recorded, where applicable, against reserves resulting to an increase in equity (table 4.2.1) and a decrease in minority interest.

4.4 Explanation of adjustments to consolidated income statement items

The following analysis explains the material adjustments to consolidated income statement items for the year ended 31 December 2004 and for the three month period ended 31 March 2004.

(a) ***Net interest income and net banking fee and commission income***

(1) Under Greek GAAP fees received and costs incurred in relation to financial assets were recognised on a cash basis as commissions. The treatment of certain fees as an adjustment to the effective interest rate under IAS 18 and IAS 39 has resulted in an increase in net interest income and in a decrease in net banking fee and commission income.

(2) In June 2004 the Group proceeded with the securitisation of mortgage loans. Under GR GAAP securitisation vehicles were not consolidated and net income from retained interests was recorded as non-core income. Under IFRS securitisation vehicles were consolidated and mortgage loans interest was included in interest income.

(3) The net decrease in commission income is also due to presentation differences on the face of the income statement.

(b) ***Net insurance income and non banking services***

For the purposes of the presentation of the IFRS income statement net insurance income and income from non banking services has been reclassified out of net banking fee and commission income into separate line items in the income statement.

(c) ***Non core income***

Under Greek GAAP the net income of the securitisation vehicles that were not consolidated was recognised in the income statement due to retained interests as non core income. Under IFRS the income statements of the consolidated securitisation vehicles are consolidated on a line by line basis. This has resulted in a reclassification from non-core income into net interest income since the second quarter of 2004.

4. Transition to IFRS (continued)

4.4 Explanation of adjustments to consolidated income statement items (continued)

(d) ***Operating expenses***

(1) Under Greek GAAP depreciation was calculated using specified tax rates. Under IFRS depreciation is charged over the useful economic life of assets. This has resulted in a decrease in the depreciation expense.

(2) Under Greek GAAP provisions for employee benefits were recognised in accordance with the Greek Labour legislation solely for staff retirement indemnity. The additional provisions for staff retirement indemnity and potential separations before normal retirement under IAS 19 have resulted in an increase in staff costs.

(3) Under Greek GAAP bonus payments to employees are deducted directly from shareholders equity through the appropriation account when proposed. Under IFRS bonus payments to employees are recorded in the income statement when approved by the shareholders. This has resulted in an increase in operating expenses.

(e) ***Impairment losses on loans and advances***

In relation to loan impairment, under Greek GAAP specific loan provisions were established on an individual and portfolio basis against performing and non-performing loans. This has resulted in recording of provisions based on expected losses taking into consideration the value of collateral with no discounting of expected future cash flows. In addition, under Greek GAAP expenses incurred for recoveries were recorded as commission expense. Under IAS 39 the Group has discounted expected cash flows and reclassified in the income statement expenses incurred for recoveries resulting in an increase in the impairment loss on loans and advances and an increase in fee and commission income.

5. Financial risk management

5.1 Use of financial instruments

By their nature the group's activities are principally related to the use of financial instruments including derivatives. The group accepts deposits from customers, at both fixed and floating rates, and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The group also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers with a range of credit standing. Such exposures include both on-balance sheet loans and advances and off-balance sheet guarantees and other commitments such as letters of credit.

The group also trades in financial instruments where it takes positions in traded and over the counter instruments including derivatives, to take advantage of short-term market movements in the equity and bond markets and in currency and interest rates. The Board of Directors places trading limits on the level of exposure that can be taken in relation to overnight and intra-day market positions as well as limits in longer durations. With the exception of specific hedging arrangements, foreign exchange and interest rate exposures associated with these derivatives are normally concluded to hedge outstanding positions, thereby controlling the variability in the net cash amounts required to offset market positions.

Fair value hedges

The group hedges a proportion of its existing interest rate risk resulting from any potential decrease in the fair value of fixed rate available-for-sale bonds and any potential increase in the fair value of deposits denominated both in local and foreign currencies using interest rate and cross currency interest rate swaps. The net fair value of these swaps at 31 March 2005 was€ 285 million (31 December 2004: € 333 million) (note 17).

Cash flow hedges

The group hedges a proportion of its existing interest rate risk resulting from any cash flow variability associated with future interest rate changes on variable rate assets or liabilities or unrecognised highly probable forecast transactions using interest rate swaps. The net fair value of these swaps at 31 March 2005 was € 20 million (31 December 2004: € 22 million) (note 17).

5.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk and interest rate risk) and liquidity risk. The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance, financial position and cash flows.

5.2.1 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are recognised for losses that have been incurred at the balance sheet date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review. Limits on the level of credit risk by product, industry sector and by country are approved quarterly by the Board of Directors. The exposure to any one borrower including banks and brokers is further restricted by sub limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored on a daily basis.

As one of the largest private banking groups in Greece, the Group is active in the corporate and retail lending markets. Credit risk is well spread over a diversity of personal and commercial customers. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing the lending limits where appropriate. The Group reduces its credit risk associated with loans and advances to customers by entering into collateralised arrangements. The types of collateral that the Group obtains are cash deposits and other cash equivalents, real estate, securities, vessels and bank guarantees. The value of collateral that the Group has as at 31 March 2005 amounts to 27% (31 December 2004: 27%) of the total aggregate amount of the gross loans and advances to customers.

Economic sector risk concentrations within the Group's customer loan portfolio are analysed in Note 18

5. Financial risk management (continued)

5.2 Financial risk factors (continued)

5.2.1 Credit risk (continued)

(a) Derivatives

The Group maintains control limits on net open derivative positions ie, the difference between purchase and sale contracts, by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (ie, derivatives with a positive fair value) which in relation to derivatives in only a small proportion of the contract notional amount used to express the volume of instruments outstanding. The credit risk exposure is managed as part of the overall lending limits with customers together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties. Further details of the group's derivative instruments are provided in note 17.

(b) Master netting arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk is reduced by a master netting agreement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

(c) Credit related commitments

The primary purpose of credit related commitments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans since they represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are secured by the underlying shipment of goods to which they relate and therefore carry less risk than a loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter-term commitments.

(d) Geographical concentration of assets, liabilities and off balance sheet items

An analysis of the geographical concentration of assets, liabilities and off-balance sheet items to illustrate the concentrations of credit risk in relation to geographical areas is shown in Note 35.

Geographical sector risk concentrations within the Group's customer loan portfolio are analysed in Note 18.

5.2.2 Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group applies a 'value at risk' (VaR) methodology to estimate the market risk of positions held and the potential economic loss based upon a number of assumptions for various changes in market conditions.

The VaR that the bank measures is an estimate, with a confidence level set at 95%, of the potential loss that might arise if the current positions were to be held unchanged for a 10-day horizon (holding period). The measurement is structured so that within a 10-day horizon losses exceeding the VaR figure should occur, on average, not more than once a year. Actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation.

Since VaR constitutes an integral part of the Group's market risk control regime, VaR limits have been established for all (trading and banking book) operations and actual exposure is reviewed daily by management. The average daily VaR for the bank during the three months ended 31 March 2005 for a one day holding period was € 5.4 million (three months ended 31 March 2004: € 9.1 million). The average daily VaR for the bank during the year ended 31 December 2004 for a one day holding period was € 6.8 million. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

(a) Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposures which are monitored daily. The table in Note 39 summarises the Group's exposure to foreign currency exchange rate risk at 31 March 2005 and 31 December 2004. Included in the table are the Group's assets and liabilities at carrying amounts categorised by currency.

(b) Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored on a daily basis.

The table in Note 40 summarises the Group's exposure to interest rate risk. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

The effective average interest rates for monetary financial instruments are summarised in Note 40.

5.2.3 Liquidity risk

The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs and guarantees and from margin and other calls on cash-settled derivatives. The Group does not maintain cash resources to meet all of these needs, as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board of Directors sets limits on the minimum proportion of maturing funds available to meet such calls using stress test scenarios.

5. Financial risk management (continued)

5.2 Financial risk factors (continued)

5.2.3 Liquidity risk (continued)

The table in Note 41 analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

5.3 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. However market prices are not available for a significant number of financial assets and liabilities held and issued by the group. Therefore, for financial instruments where no market price is available, the fair values of the group are estimated using present value or other estimation and valuation techniques based on current prevailing market conditions.

The values derived using these techniques are significantly affected by underlying assumptions concerning both the amounts and timing of future cash flows and the discount rates used. The following methods and assumptions indicate that the fair values of financial assets and liabilities approximate their carrying amounts:

a) trading assets, derivatives and other transactions undertaken for trading purposes as well as treasury bills and available for sale securities are measured at fair value (see notes 14, 16, 17, 18 and 20) by reference to quoted market prices when available. If quoted market prices are not available, then the fair values are estimated using valuation techniques based on observable market data.

b) Substantially all of the Group's other financial assets and liabilities are at floating rates of interest, which re-price at frequent intervals. Therefore the group has no significant exposure to fair value fluctuations and the carrying value of the financial assets and liabilities is substantially equivalent to their fair values, unless otherwise stated.

5.4 Fiduciary activities

The Group provides custody, trustee, corporate administration, investment management and advisory services to third parties. This involves the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements.

6. Net interest income

	31 March 2005	31 March 2004
	€ million	€ million
Interest and discount income		
Banks and customers	**525**	372
Trading securities	**10**	15
Other securities	**63**	70
Total interest and discount income	**598**	457
Interest expense		
Banks and customers	**(246)**	(194)
Liabilities evidenced by paper	**(44)**	(17)
Total interest expense	**(290)**	(211)
Net interest income	**308**	246

7. Operating expenses

	31 March 2005	31 March 2004
	€ million	€ million
Staff costs (note 8)	**110**	102
Administrative expenses	**57**	53
Depreciation of property, plant and equipment (note 24)	**23**	21
Operating lease rentals	**13**	10
	203	186

8. Staff costs

	31 March 2005	31 March 2004
	€ million	€ million
Wages, salaries and staff bonuses	**77**	71
Social security costs	**17**	15
Pension costs-defined contribution scheme	**2**	2
Other	**14**	14
	110	102

As at 31 March 2005 the number of employees of the Group was 13,995.

9. Income tax expense

	31 March 2005 € million	31 March 2004 € million
Current tax	**49**	31
Deferred tax (note 10)	**(5)**	(2)
Overseas taxes	**1**	3
Total tax charge	**45**	32

The Greek corporate rate of tax is 32% in 2005 (2004: 35%). In accordance with special incentives for mergers, the parent company tax rate for 2004 was 30%. The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	31 March 2005 € million	31 March 2004 € million
Profit before tax	**156**	114
Tax at the applicable tax rates of 32% (2004: 35%)	**50**	40
Tax effect of:		
- Parent company benefit from reduced tax rate in 2004 of 30%	**-**	(5)
- income and expenses not subject to tax	**(3)**	(6)
- effect of different tax rates in different countries	**(4)**	1
- other differences	**2**	2
Income tax expense	**45**	32

10. Deferred income taxes

Deferred income taxes are calculated on all temporary differences under the liability method using an expected effective tax rate of 30% (2004: 30%).

The movement on the deferred income tax account is as follows:	31 March 2005 € million	31 December 2004 € million
At 1 January	**60**	53
Income statement credit for period 1 January to 31 March	**5**	2
Income statement credit for period 1 April to 31 December	**-**	20
Available for sale securities :		
- fair value measurement	**-**	(70)
- transfer to net profit	**8**	22
- fair value hedges	**(9)**	31
Cash flow hedges	**(1)**	-
Exchange differences	**3**	2
At end of period / year (Note 25)	**66**	60

Deferred income tax assets and (liabilities) are attributable to the following items:

	31 March 2005 € million	31 December 2004 € million
Valuation temporary differences accounted directly to special reserves	**(37)**	(40)
Valuation temporary differences accounted through the income statement	**17**	21
Cash flow hedges	**2**	3
Depreciation temporary differences	**(1)**	2
Pensions and other post retirement benefits	**28**	26
Loan impairment	**69**	60
Other temporary differences	**(12)**	(12)
Deferred income tax assets	**66**	60

The deferred income tax credit in the income statement comprises the following temporary differences:

	31 March 2005 € million	31 March 2004 € million
Valuation temporary differences	**(2)**	(1)
Depreciation temporary differences	**2**	1
Pensions and other post retirement benefits	**1**	-
Loan impairment	**(7)**	(1)
Other temporary differences	**1**	(1)
Deferred income tax credit	**(5)**	(2)

11. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the company 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 done 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.

11. Earnings per share (continued)

		31 March 2005	31 March 2004
Net profit for period attributable to shareholders	*€ million*	**109**	**80**
Weighted average number of ordinary shares in issue	*Number of shares*	*313,822,638*	*307,750,267*
Weighted average number of ordinary shares for diluted earnings per share	*Number of shares*	*313,885,471*	*309,312,718*
Basic earnings per share	€	**0.35**	0.26
Diluted earnings per share	€	**0.35**	0.26

12. Cash and balances with central banks

	31 March 2005 € million	31 December 2004 € million
Cash in hand	**280**	289
Balances with central banks	**997**	1,221
	1,277	1,510
of which:		
Mandatory deposits with central banks	**501**	530

Mandatory deposits with central banks represent the minimum level of average monthly deposits which the Bank is required to maintain. Balances with central banks can be withdrawn at any time provided the average monthly minimum deposits are maintained.

13. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprises the following balances with less than 90 days maturity:

	31 March 2005 € million	31 December 2004 € million
Cash and balances with central banks	**776**	980
Treasury bills and other eligible bills	**169**	259
Due from other banks	**1,350**	731
Trading securities	**1,052**	277
	3,347	2,247

14. Treasury bills and other eligible bills

	31 March 2005 € million	31 December 2004 € million
Treasury bills	**292**	514

Treasury bills are debt securities issued by European Governments and they are carried at fair value.

15. Due from other banks

	31 March 2005 € million	31 December 2004 € million
Items in course of collection from other banks	**309**	295
Placements with other banks	**1,076**	438
	1,385	733
Included in the amounts due from other banks are unsubordinated amounts due from:		
- fellow subsidiary and associate undertakings	**31**	29
- settlement balances with banks	**769**	139
- pledged deposits with banks	**271**	220

16. Trading securities

	31 March 2005 € million	31 December 2004 € million
Issued by public bodies:		
- government	**1,234**	1,430
- other public sector securities	**7**	10
	1,241	1,440
Issued by other issuers:		
- banks	**16**	50
- other	**286**	484
	302	534
Total	**1,543**	1,974
Equity securities	**95**	159
Debt securities	**1,448**	1,815
	1,543	1,974
Credit facility with central banks secured by the above	**-**	171

17. Derivative financial instruments

The group utilises the following derivative instruments for both hedging and non-hedging purposes:

Currency forwards represent commitments to purchase or sell foreign and domestic currency. Foreign currency and interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates or to buy or sell foreign currency or a financial instrument on a future date at a specified price established in an organized financial market. Since future contracts are collateralised by cash or marketable securities and changes in the futures contract value are settled daily with the exchange, the credit risk is negligible.

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (for example, fixed rate for floating rate) or a combination of all these (i.e. cross-currency interest rate swaps). Except for certain currency swaps, no exchange of principal takes place. The group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the group assesses counterparties using the same techniques as for its lending activities and/or marks to market with bilateral collateralisation agreements over and above an agreed threshold.

Foreign currency and interest rate options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of a foreign currency or a financial instrument at a predetermined price. In consideration for the assumption of foreign exchange or interest rate risk, the seller receives a premium from the purchaser. Options may be either exchange-traded or negotiated between the group and a customer (OTC). The group is exposed to credit risk on purchased options only, and only to the extent of their carrying amount, which is their fair value.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. The fair values of derivative instruments held are set out in the following table:

	31 March 2005			31 December 2004		
	Contract/ notional amount	**Fair values**		Contract/ notional amount	Fair values	
		Assets	**Liabilities**		Assets	Liabilities
	€ million	**€ million**	**€ million**	€ million	€ million	€ million
Derivatives held for trading						
OTC currency derivatives						
- Currency forwards	**510**	**8**	**6**	595	16	15
- Currency swaps	**3,074**	**36**	**13**	2,492	8	65
- OTC currency options bought and sold	**1,483**	**113**	**113**	1,596	26	25
		157	**132**		50	105
OTC interest rate derivatives						
- Interest rate swaps	**5,955**	**62**	**103**	6,472	73	85
- Cross-currency interest rate swaps	**399**	**61**	**14**	404	67	17
- OTC interest rate options	**1,897**	**11**	**11**	1,267	11	18
		134	**128**		151	120
Exchange traded interest rate futures	**1,588**	**-**	**4**	557	1	1
Exchange traded interest rate options	**7,240**	**5**	**7**	3,910	5	6
		139	**139**		157	127
Other derivatives						
OTC index options bought and sold	**328**	**13**	**13**	539	42	31
Forward security contracts	**1,896**	**3**	**3**	526	1	1
Other derivative contracts (see below)	**437**	**2**	**1**	265	1	2
		18	**17**		44	34
Other trading liabilities						
- Securities sold not yet repurchased		**-**	**4**		-	-
Total derivative assets/liabilities held for trading		**314**	**292**		251	266
Derivatives designated as fair value hedges						
Interest rate swaps	**4,268**	**9**	**274**	3,291	4	323
Cross-currency interest rate swaps	**94**	**-**	**20**	87	-	14
		9	**294**		4	337
Derivatives designated as cash flow hedges						
Interest rate swaps	**436**	**-**	**20**	336	-	22
Total derivatives assets/liabilities used for hedging purposes		**9**	**314**		4	359
Total derivatives assets / liabilities		**323**	**606**		255	625

Other derivative contracts include credit default swaps, exchange traded index futures, exchange traded index options bought and sold and commodity swaps.

18. Loans and advances to customers

	31 March 2005	31 December 2004
	€ million	€ million
Lending to medium size and large corporate entities	**9,192**	8,881
Consumer lending	**5,846**	5,471
Mortgage lending	**4,748**	4,383
Small business lending	**3,232**	3,088
Settlement balances with customers	**288**	11
Less: Provision for impairment losses (note 19)	**(649)**	(603)
	22,657	21,231

The loans and advances to customers include the following amounts:		
- due from associated undertakings, unsubordinated	**14**	16
- securitised loans	**676**	700

18. Loans and advances to customers (continued)

In June 2004 the Group proceeded with the securitisation of mortgage loans through the sale of the assets to Themeleion Mortgage Finance Plc, a special purpose entity, which in turn issued securities to investors. The transaction has been accounted for as collateralised borrowing. The mortgage loans which are retained on the balance sheet are disclosed above as securitised loans. The corresponding liability is included within liabilities evidenced by paper and is disclosed as long term securitised debt. In June 2005 the Group proceeded with the second securitisation of mortgage loans (note 28).

Loans and advances to customers include finance lease receivables as detailed below:

	31 March 2005	31 December 2004
	€ million	€ million
Gross investment in finance leases receivable:		
Not later than 1 year	**221**	245
Later than 1 year and not later than 5 years	**549**	535
Later than 5 years	**410**	407
	1,180	1,187
Unearned future finance income on finance leases	**(234)**	(250)
Net investment in finance leases	**946**	937
Less: provision for impairment losses	**(18)**	(17)
	928	920
The net investment in finance leases is analysed as follows:		
Not later than 1 year	**172**	194
Later than 1 year and not later than 5 years	**439**	416
Later than 5 years	**335**	327
	946	937
Less: provision for impairment losses	**(18)**	(17)
	928	920

Economic sector risk concentrations within the group's customer loan portfolio were as follows:

	31 March 2005	31 December 2004
	%	%
Commerce and services	34%	36%
Private individuals	46%	43%
Manufacturing	12%	14%
Shipping	2%	2%
Construction	2%	2%
Government bodies	1%	1%
Other	3%	2%
	100%	100%

Geographic sector risk concentrations within the group's customer loan portfolio were as follows:

	31 March 2005		31 December 2004	
	€ million	%	€ million	%
Greece	**20,885**	**92**	19,958	94
Other Western European countries	**461**	**2**	203	1
South Eastern European countries	**1,065**	**5**	932	4
Other countries	**246**	**1**	138	1
	22,657	**100**	21,231	100

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

	31 March 2005	31 December 2004
	€ million	€ million
At 1 January	**603**	516
Impairment losses on loans and advances charged in the period 1 January to 31 March	**71**	45
Impairment losses on loans and advances charged in the period 1 April to 31 December	**-**	178
Amounts recovered during the period / year	**7**	20
Loans written off during the period / year as uncollectible	**(32)**	(156)
Balance at end of period / year	**649**	603

20. Available-for-sale investment securities

	31 March 2005	31 December 2004
	€ million	€ million
Issued by public bodies:		
- government	**5,328**	4,508
- other public sector	**5**	-
	5,333	4,508
Issued by other issuers:		
- banks	**299**	174
- other	**608**	803
	907	977
Total	**6,240**	5,485
Listed	**5,957**	5,209
Unlisted	**283**	276
	6,240	5,485
Equity	**210**	266
Debt	**6,030**	5,219
	6,240	5,485
Unamortised discounts and premiums included above	**129**	74
Pledged securities with capital market companies	**1**	1
Credit facility with central banks secured by the above	**256**	23

20. Available-for-sale investment securities (continued)

The movement in the account is as follows:

	31 March 2005 € million	31 December 2004 € million
Net book value at 1 January	**5,485**	5,121
Arising from acquisition of subsidiaries (Note 43)	**-**	7
Exchange adjustments	**21**	(34)
Additions	**1,258**	2,301
Disposals and redemptions	**(506)**	(2,200)
Reclassification to / from trading portfolio and associates	**(13)**	54
Amortisation of discounts / premiums and interest	**(10)**	6
Net gains / (losses) from changes in fair value for period 1 January to 31 March	**5**	91
Net gains / (losses) from changes in fair value for period 1 April to 31 December	**-**	139
Net book value at end of period / year	**6,240**	5,485

Equity reserve : revaluation of the available-for-sale investments

Gains and losses arising from the changes in the fair value of available-for-sale investments are recognised in a revaluation reserve for available for sale financial assets in equity. The movement of the reserve is as follows

	31 March 2005 € million	31 December 2004 € million
At 1 January	**103**	95
Net gains / (losses) from changes in fair value	**5**	230
Deferred income taxes	**-**	(70)
	5	160
Net (gains) / losses transferred to net profit on disposal	**(40)**	(114)
Impairment losses transferred to net profit	**6**	12
Deferred income taxes	**8**	22
	(26)	(80)
Net losses / (gains) transferred to net profit from fair value hedges	**29**	(103)
Deferred income taxes	**(9)**	31
	20	(72)
Balance at end of period / year	**102**	103

21. Shares in subsidiary undertakings

The following is a listing of the Bank's subsidiaries at 31 March 2005:

Name	Percentage Holding	Country of incorporation	Line of business
EFG Private Bank (Luxembourg) SA	75.00	Luxembourg	Bank
EFG Eurobank Ergasias Leasing SA	100.00	Greece	Leasing
EFG Eurobank Securities SA	100.00	Greece	Capital markets and investment services
Eurobank Cards SA	100.00	Greece	Credit card management
EFG Mutual Funds Co. SA	87.50	Greece	Mutual fund management
EFG Hellas Plc.	100.00	United Kingdom	Special purpose financing vehicle
EFG Factors SA	100.00	Greece	Factoring
EFG Telesis Finance SA	100.00	Greece	Investment banking
EFG Business Services SA	100.00	Greece	Payroll and advisory services
EFG Eurobank Properties SA	50.10	Greece	Investment Services
EFG Insurance Services SA	100.00	Greece	Insurance brokerage
EFG Eurolife Life Insurance SA	100.00	Greece	Insurance services
EFG Eurolife General Insurance SA	100.00	Greece	Insurance services
EFG Eurobank Ergasias International (C.I.) Ltd	100.00	Channel Islands	Off shore banking
Autorental SA	100.00	Greece	Vehicle leasing and rental
OPEN 24 SA	100.00	Greece	Sundry services
Be Business Exchanges SA	68.66	Greece	Business-to business e-commerce
EFG Internet Services SA	100.00	Greece	Internet and electronic banking
ELDEPA SA	50.10	Greece	Property rental
Telesis Direct SA	100.00	Greece	Electronic brokerage
EFG Eurobank Asset Management Company SA	100.00	Greece	Asset management
EFG Hellas (Cayman Islands) Ltd	100.00	Cayman Islands	Special purpose financing vehicle
Bancpost SA	77.31	Romania	Bank
Bulgarian Retail Service AD	100.00	Bulgaria	Credit card management
Hellas on Line SA	100.00	Greece	Internet and telecom services
EFG Eurobank AD Beograd	93.53	Serbia	Bank
Berberis Investment Limited	100.00	Channel Islands	Holding company
Eurocredit Retail Service Ltd	100.00	Cyprus	Credit card management
Bulgarian Post Bank AD	96.74	Bulgaria	Bank
Alico / CEH Balkan Holdings Ltd	100.00	Cyprus	Holding company
Euroline Retail Service SA	95.43	Romania	Credit card management
Themeleion Mortgage Finance Plc	0.00	United Kingdom	Special purpose financing vehicle (SIC 12)
Euroline Retail Services AD	100.00	Serbia	Credit card management
EFG Leasing EAD	100.00	Bulgaria	Leasing
Intertrust Mutual Funds Co SA	100.00	Greece	Mutual fund management
Eurobank Property Services SA	100.00	Greece	Real estate services
EFG Hellas Funding Ltd (Jersey)	100.00	Channel Islands	Special purpose financing vehicle
EFG Auto Leasing EOOD	100.00	Bulgaria	Vehicle leasing and rental

21. Shares in subsidiary undertakings (continued)

Post balance sheet events

(a) Attikis Kerdoos Ermis AEPEY

In April 2005, EFG Eurobank Securities SA proceeded with the acquisition of 100% of the share capital of Attikis Kerdoos Ermis AEPEY stock brokerage company.

(b) HC Istanbul Holding A.S.

In May 2005, the Group completed the acquisition of 100% of the share capital of HC Istanbul Holding A.S. (renamed to EFG Istanbul Holding AS), a holding company based in Istanbul, Turkey. EFG Istanbul Holding A.S. owns 99.99% of EFG Istanbul Menkul Degerler A.S., (formerly HC Istanbul Menkul Degerler AS). EFG Istanbul Menkul Degerler A.S. is also based in Istanbul, engaging in corporate finance, brokerage, research and other capital market activities in Turkey.

(c) Capital S.A.

In May 2005, the Group completed the acquisition of 100% of the share capital of Capital S.A., a company providing investment banking services based in Romania. Capital S.A. fully controls a subsidiary, Capital Securities S.A., which is engaged in stock brokerage activities and is a member of the Romanian Stock Exchange.

(d) Telesis Direct SA

In May 2005, the Bank and Telesis Direct SA (electronic brokerage company, 100% subsidiary of the bank) signed a draft merger agreement for the absorption of Telesis Direct SA by the Bank. The absorption was completed in June 2005.

(e) EFG Eurobank Leasing SA

In May 2005, the Group proceeded with the incorporation of EFG Eurobank Leasing S.A., an entity operating in the leasing industry in Romania.

(f) EFG Property Services SA

In June 2005, the Group, in cooperation with Lamda Development S.A., established EFG Property Services S.A., a real estate advisory services company in Romania. The Group controls 80% of the share capital and Lamda Development S.A. controls the remaining 20% of the share capital of EFG Property Services S.A.

22. Investments in associated undertakings

	31 March 2005	31 December 2004
	€ million	€ million
At 1 January	**57**	19
Additions	**33**	37
Transfer to subsidiaries fully consolidated	**-**	(1)
Dividends collected	**-**	(4)
Share of available for sale revaluation reserve	**1**	1
Share of results for the period 1 January to 31 March	**2**	1
Share of results for the period 1 April to 31 December	**-**	4
Balance at end of period / year	**93**	57

The following is a listing of the Group's associates as at 31 March 2005:

Name	**Percentage Holding**	**Country of Incorporation**	**Line of business**	**Share of Net Assets € million**
Tefin SA	50.00	Greece	Motor vehicle sales financing	**5**
Zenon Properties SA	25.05	Greece	Investment property	**3**
Hotel Company of Athens Airport SA	20.20	Greece	Hotelier	**1**
Unit Finance SA	40.00	Greece	Financing company	**-**
Global Finance SA	49.85	Greece	Financing company	**8**
Global Investment Fund Management SA	44.44	Greece	Investment advisors	**1**
Cardlink SA	50.00	Greece	POS administration	**-**
The Greek Progress Fund SA	48.40	Greece	Closed-end investment fund	**64**
Dias AEEX	32.02	Greece	Closed-end investment fund	**11**
				93

During the three month period ended 31 March 2005 and the year ended 31 December 2004 the Group increased its shareholding in The Greek Progress Fund SA and Dias AEEX. As a result of the increase in the shareholdings the investments were transferred from available-for-sale to associated undertakings in 2004. The total consideration paid in relation to these increases in shareholdings amounted to € 33 million (year ended 31 December 2004: € 37 million) and the fair value of the net assets acquired amounted to € 34 million (year ended 31 December 2004: € 37 million). The excess of € 1 million in the fair value of the net assets acquired over the consideration paid has been recognised in the income statement.

All of the Group's associates are unlisted except for The Greek Progress Fund SA and Dias AEEX. The fair value of the investments in the Group's associates that are listed based on quoted market prices as at 31 March 2005 was€ 64 million (31 December 2004: € 37 million).

Post balance sheet events

(a) The Greek Progress Fund SA

In June 2005 the management of EFG Eurobank Ergasias (EFG Eurobank) and of The Greek Progress Fund closed-end investment company announced their intention to merge, whereby EFG Eurobank will absorb The Greek Progress Fund. The proposed share exchange ratio will be 7.9 Progress Fund shares for each Eurobank share. Before the absorption, the Progress Fund will proceed with distributing one bonus share for every 10 existing shares and with a rights issue for 14 new shares for every 11 old shares at €2.88 per share. This corresponds to a €130 million share capital increase. The Bank has committed to subscribing for any unallocated shares of the rights issue.

22. Investments in associated undertakings (continued)

(a) The Greek Progress Fund SA (continued)

Completion of the merger is subject to the required approvals of the Boards of Directors and of the General Assemblies of the companies, which will be called upon to decide subsequent to the opinion of independent audit firms on the fairness of the share exchange ratio. Furthermore, completion of the merger is subject to the approval of all relevant supervisory authorities.

(b) Logic DIS

In April 2005 the Group increased its shareholdings in LogicDIS to 29.08% and the investment was transferred from available-for-sale to associated undertakings.

23. Intangible assets

	Intangible assets € million
Cost	
At 1 January 2004	-
Arising from acquisition of subsidiaries	68
At 31 December 2004	68
Cost	
At 1 January 2005	68
Additions	2
Adjustment to goodwill	(1)
At 31 March 2005	69
Accumulated impairment / amortisation	
At 1 January 2005	-
Amortisation charge for intangible assets	(1)
At 31 March 2005	(1)
Net book value	
At 31 March 2005	**68**

Intangible assets include goodwill with net book value as at 31 March 2005 of € 50 million (31 December 2004: € 51 million) and other intangible assets with net book value as at 31 March 2005 of€ 18 million (31 December 2004: € 17 million).

The adjustment to goodwill relates to an adjustment to the purchase consideration in relation to the acquisition of Intertrust Mutual Funds Co SA.

The other intangible assets arising from acquisition of subsidiaries during the year ended 31 December 2004 relate to the acquisition of Intertrust Mutual Funds Co S.A. This intangible asset represents the value of the contractual agreement signed between the Bank, EFG AEDAK SA, Interamerican Life S.A. and Intertrust Mutual Funds Co S.A. for the distribution of the Interamerican mutual funds by the Interamerican distribution network of insurers. The Bank used the discounted expected future cash flow model for the fair valuation of the specific agreement. The valuation model used to determine the fair value of the intangible is sensitive to the assumptions about the discount rate, growth rate and expected cash flows. Adverse changes in any changes of these factors would lead to an impairment of the intangible asset recognised. The useful life of the asset is estimated to be for 10 years, which is the period of the relevant contractual agreement.

24. Property, plant and equipment

	Land, buildings, leasehold improvements € million	Furniture, equipment motor vehicles € million	Computer hardware, software € million	Investment Property € million	**Total fixed assets € million**
Cost:					
Balance at 1 January 2004	437	160	340	204	**1,141**
Arising from acquisition of subsidiary	-	1	3	-	**4**
Transfers	(4)	2	1	4	**3**
Additions	22	16	53	6	**97**
Disposals and write - offs	(16)	(5)	(36)	-	**(57)**
Balance at 31 December 2004	439	174	361	214	**1,188**
Accumulated depreciation:					
Balance at 1 January 2004	(94)	(90)	(213)	(10)	**(407)**
Arising from acquisition of subsidiary	-	(1)	(3)	-	**(4)**
Transfers	-	-	-	(1)	**(1)**
Disposals and write-offs	13	4	30	-	**47**
Charge for the period 1 January to 31 March	(4)	(4)	(12)	(1)	**(21)**
Charge for the period 1 April to 31 December	(12)	(12)	(35)	(2)	**(61)**
Balance at 31 December 2004	(97)	(103)	(233)	(14)	**(447)**
Cost:					
Balance at 1 January 2005	439	174	361	214	**1,188**
Transfers	(4)	-	(1)	-	**(5)**
Additions	24	5	10	-	**39**
Disposals and write - offs	(2)	(2)	(4)	-	**(8)**
Exchange differences	(1)	-	(1)	-	**(2)**
Balance at 31 March 2005	456	177	365	214	**1,212**
Accumulated depreciation:					
Balance at 1 January 2005	(97)	(103)	(233)	(14)	**(447)**
Transfers	4	-	1	-	**5**
Disposals and write-offs	-	1	2	-	**3**
Charge for the period	(5)	(4)	(13)	(1)	**(23)**
Balance at 31 March 2005	(98)	(106)	(243)	(15)	**(462)**
Net book value at 31 March 2005	358	71	122	199	**750**
Net book value at 31 December 2004	342	71	128	200	**741**

Leasehold improvements relate to premises occupied by the company for its own activities.

Included in the above as at 31 March 2005 is€ 10 million (31 December 2004: € 11 million) relating to assets under construction.

24. Property, plant and equipment (continued)

Investment property

Investment property is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight line method over a period of 40-50 years. The fair value of investment property as at 31 March 2005 was € 257 million (31 December 2004: € 255 million). The fair values are open-market values provided by professionally qualified valuers.

During the three month period ended 31 March 2005 an amount of € 3 million (31 March 2004: € 3 million) was recognised as rental income from investment property in non banking services. Capital commitments in relation to investment property as at 31 March 2005 totaled € 3 million (31 December 2004: € 3 million).

25. Other assets

	31 March 2005	31 December 2004
	€ million	€ million
Prepaid expenses and accrued income	**107**	117
Deferred tax asset (note 10)	**66**	60
Repossessed properties	**55**	56
Other assets	**254**	245
	482	478

26. Due to other banks

	31 March 2005	31 December 2004
	€ million	€ million
Items in course of collection	**117**	42
Deposits from other banks	**5,735**	5,319
	5,852	5,361
Included in the amounts due to other banks are amounts due to:		
- fellow subsidiary and associate undertakings	**25**	29
- settlement balances with banks	**613**	102

27. Due to customers

	31 March 2005	31 December 2004
	€ million	€ million
Savings and current accounts	**8,142**	8,159
Term deposits	**9,130**	8,745
Repos	**695**	1,253
Settlement balances	**265**	51
	18,232	18,208
Included in the amounts due to customers are amounts due to:		
- parent undertaking	**1**	1
- fellow subsidiary and associate undertakings	**405**	426

28. Liabilities evidenced by paper

	31 March 2005	31 December 2004
	€ million	€ million
Short-term debt		
- Commercial Paper (ECP)	**1,759**	1,677
Long-term debt		
- Medium-term notes (EMTN)	**4,128**	2,981
- Subordinated	**399**	398
- Securitised	**687**	715
	5,214	4,094
Total	**6,973**	5,771

The Group's funding consists of the following:

Residential Mortgage Backed Securities (RMBS)

In June 2004 the bank securitised € 750 million of residential mortgages through Themeleion Mortgage Finance plc, a special purpose vehicle, with an average funding cost of Euribor plus 19 basis points for seven years. The notes mature in 2036 but are callable as of 2011.

Lower Tier-II

In June 2004 the bank issued € 400 million unsecured subordinated floating rate notes through its subsidiary EFG Hellas Plc. The notes have a ten year maturity with a call provision after five years. The notes pay floating rate interest quarterly based on a coupon of 3-month Euribor plus 0.50% for the first five years. The notes qualify as lower tier II capital for the Bank and are listed on the Luxembourg Stock Exchange.

EMTN and ECP

The Bank issued medium term and short-term notes through its subsidiaries EFG Hellas Plc and EFG Hellas (Cayman Islands) Ltd under its Euro Medium Term Note (EMTN) and Euro Commercial Paper (ECP) programs respectively.

28. **Liabilities evidenced by paper (continued)**

The following tables analyse the liabilities evidenced by paper by contractual maturity and also into fixed and floating rate.

	31 March 2005			
	Within 1 year € million	1 - 5 years € million	Over 5 years € million	Total € million
EMTN				
Fixed rate	-	293	356	**649**
Floating rate	319	3,160	-	**3,479**
ECP				
Fixed rate	1,759	-	-	**1,759**
Subordinated				
Floating rate	-	-	399	**399**
Securitised				
Fixed rate	6	10	-	**16**
Floating rate	-	-	671	**671**
Total liabilities evidenced by paper	**2,084**	**3,463**	**1,426**	**6,973**

	31 December 2004			
	Within 1 year € million	1 - 5 years € million	Over 5 years € million	Total € million
EMTN				
Fixed rate	-	295	257	**552**
Floating rate	316	2,113	-	**2,429**
ECP				
Fixed rate	1,677	-	-	**1,677**
Subordinated				
Floating rate	-	-	398	**398**
Securitised				
Fixed rate	6	10	-	**16**
Floating rate	-	-	699	**699**
Total liabilities evidenced by paper	**1,999**	**2,418**	**1,354**	**5,771**

Post balance sheet events

In June 2005 the Group proceeded with the second securitisation of mortgage loans through the sale of the assets to Themeleion II Mortgage Finance Plc, a special purpose entity, and the issue of residental mortgage backed securities. The total size amounts to € 750 million at an average funding cost of Euribor plus 17.5 basis points for seven years.

29. **Other liabilities**

	31 March 2005 € million	31 December 2004 € million
Current tax liabilities	**114**	79
Acquisition obligations	**30**	30
Deferred income and accrued expenses	**230**	214
Dividends payable	**19**	21
Staff separation indemnities provision (note 30)	**51**	50
Obligations under life insurance policies	**185**	169
Other liabilities	**347**	338
	976	901

30. Staff separation indemnities provision

	31 March 2005 € million	31 December 2004 € million
At 1 January	**50**	55
Additions	**3**	29
Indemnities paid	**(2)**	(34)
Balance at end of period / year	**51**	50

The staff separation indemnities provision is determined as described in note 2 (o) (ii). The provision is calculated using an expected future salary increase of 4% and a discount rate of 4.5%.

31. Share capital, share premium and treasury shares

The following is an analysis of the movement of share capital, share premium and treasury shares. The par value of the Bank's shares is € 2.95 per share and all of the Bank's shares are fully paid.

	Ordinary share capital € million	Treasury shares € million	Net € million	Share premium € million	Treasury shares € million	Net € million
At 1 January 2004	**931**	**(28)**	**903**	**560**	**(101)**	**459**
Share capital increase from share bonus payments to executive directors, management and staff	5	-	5	-	-	-
Share capital reduction due to cancellation of treasury shares	(18)	18	-	(70)	70	-
Share capital increase due to exercise of share options issued to executives directors, managements and staff	9	-	9	13	-	13
Purchase of treasury shares	-	(10)	(10)	-	(44)	(44)
Sale of treasury shares	-	19	19	-	73	73
At 31 December 2004	**927**	**(1)**	**926**	**503**	**(2)**	**501**
At 1 January 2005	**927**	**(1)**	**926**	**503**	**(2)**	**501**
Purchase of treasury shares	-	(1)	(1)	-	(5)	(5)
At 31 March 2005	**927**	**(2)**	**925**	**503**	**(7)**	**496**

The following is an analysis of the movement in the number of shares issued by the Bank:

	Number of shares		
	Issued	Treasury shares	Net
At 1 January 2004	**315,484,837**	**(9,415,119)**	**306,069,718**
Share capital increase from share bonus payments to executive directors, management and staff	1,600,000	-	1,600,000
Share capital reduction due to cancellation of treasury shares	(6,000,000)	6,000,000	-
Share capital increase due to exercise of share options issued to executives directors, management and staff	2,924,700	-	2,924,700
Purchase of treasury shares	-	(3,171,780)	(3,171,780)
Sale of treasury shares	-	6,400,000	6,400,000
At 31 December 2004	**314,009,537**	**(186,899)**	**313,822,638**
At 1 January 2005	**314,009,537**	**(186,899)**	**313,822,638**
Purchase of treasury shares	-	(272,790)	(272,790)
At 31 March 2005	**314,009,537**	**(459,689)**	**313,549,848**

31. Share capital, share premium and treasury shares (continued)

Treasury shares special scheme

In accordance with Greek Company Law, a company may acquire its own shares in order to support the share price of the company. As expressly stated under this specific section of Greek law, this type of action is only allowed when the trading price of the stock, given the prevailing market conditions, the financial standing and the future prospects of the company, is substantially below management's share valuation. This specific section of Greek Company Law is not intended to deal with the reduction of shareholders' equity. Shares acquired should be sold back to investors through the stock market, or may be distributed to employees as part of a bonus programme within three years from the time of their acquisition. Shares still held by the company after the three-year period expires must be cancelled, subject to a General Meeting approval.

32. Preferred securities

On 18 March 2005 EFG Hellas Funding Limited, a subsidiary of the Group, issued preferred securities which represent Lower Tier 1 capital for the Group. The preferred securities have no fixed redemption date and give the issuer the right to call the issue at par on 18 March 2010 and annually thereafter. All obligations of the issuer in respect of the preferred securities are guaranteed on a subordinated basis by the Bank. The securities pay fixed non-cumulative annual dividend of 6.75% for the first two years and non-cumulative annual dividends that are determined based on the ten year EUR swap rate plus a spread of 0.125% capped at 8% thereafter. The preferred dividends may be declared by the directors of the issuer in their sole discretion and paid out of funds legally available to the issuer. The preferred dividend must be declared and paid if the Bank, the issuer or any other Group subsidiary pays a dividend. The preferred securities are listed on the Luxembourg and Frankfurt Stock Exchanges.

33. Share options

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

The movement in the number of share options outstanding and their related weighted average exercise prices are as follows:

	31 March 2005		31 December 2004	
	Average exercise price in € per share	**Number of share options**	Average exercise price in € per share	Number of share options
At 1 January	**7.76**	**89,522**	5.57	1,480,564
Granted		**-**	9.30	1,550,000
Adjustment		**-**	5.56	(2,661)
Exercised		**-**	7.47	(2,924,700)
Expired and cancelled		**-**	7.97	(13,681)
Balance at end of period / year	**7.76**	**89,522**	7.76	89,522

Share options outstanding and exercisable at the end of the period / year have the following expiry dates and exercise prices:

Expiry date - 31 December	**Exercise price in € per share**	**31 March 2005**	31 December 2004
		Number of share options	
2005	**6.00**	**39,834**	39,834
2006	**5.51**	**1,608**	1,608
2007	**9.30**	**48,080**	48,080
		89,522	89,522

Post balance sheet events

At the General Meeting of 18 April 2005 it was approved by the majority of the shareholders that 1,525,000 share options are granted to the Group's executive directors, management and staff who were employed by the Group on 31.12.2004. The exercise price of these options is € 18 per share and the options can be exercised every December of 2007, 2008, 2009 and 2010 provided that the holders are still employed by the Group.

34. Special reserves

	Statutory reserves € million	**Non-taxed reserves € million**	**IAS 39 equity € million**	**Treasury shares reserve € million**	**Other reserves € million**	**Total € million**
Balance at 1 January 2004	113	88	88	128	367	784
Transfers between reserves	21	52	-	(11)	(275)	(213)
Available-for-sale securities						
- net changes in fair value net of tax	-	-	160	-	-	160
- transfer to net profit net of tax	-	-	(152)	-	-	(152)
- net changes in fair value net of tax - associated undertakings	-	-	11	-	-	11
- transfer to net profit net of tax - associated undertakings	-	-	(4)	-	-	(4)
Cash flow hedges						
- net changes in fair value net of tax	-	-	(9)	-	-	(9)
- transfer to net profit net of tax	-	-	10	-	-	10
Profit/(loss) from sale of treasury shares	-	12	-	-	-	12
At 31 December 2004	134	152	104	117	92	599
Balance at 1 January 2005	134	152	104	117	92	599
Transfers between reserves	1	3	-	-	(4)	-
Available-for-sale securities						
- net changes in fair value net of tax	-	-	5	-	-	5
- transfer to net profit net of tax	-	-	(6)	-	-	(6)
- net changes in fair value net of tax - associated undertakings	-	-	1	-	-	1
Cash flow hedges						-
- net changes in fair value net of tax	-	-	(5)	-	-	(5)
- transfer to net profit net of tax	-	-	7	-	-	7
Currency translation differences	-	-	-	-	(1)	(1)
At 31 March 2005	135	155	106	117	87	600

34. Special reserves (continued)

The treasury shares reserve is formed in accordance with the requirements of Greek Tax Law whereby a special reserve must be created which is equivalent to the amount of shares held in treasury. This reserve is available for distribution only to the extent that it exceeds the cost of any treasury shares held. As at 31 March 2005 € 51 million (31 December 2004 : € 51 million) of this reserve has not been taxed and is only taxable in the event of its distribution.

Non taxed reserves are only taxable in the event of their distribution.

35. Geographical concentration of assets, liabilities and off-balance sheet items

	Total assets € million	**Total liabilities € million**	**Credit commitments € million**	**Capital expenditure € million**
At 31 March 2005				
Greece	**27,947**	**24,318**	**1,047**	**8**
Other Western European countries	**3,483**	**5,969**	**888**	**-**
Canada and USA	**498**	**220**	**1**	**-**
South Eastern European countries	**3,005**	**1,445**	**89**	**-**
Other countries	**177**	**687**	**1**	**-**
	35,110	**32,639**	**2,026**	**8**

	Total assets € million	Total liabilities € million	Credit commitments € million	Capital expenditure € million
At 31 December 2004				
Greece	26,811	23,888	1,019	8
Other Western European countries	3,024	5,604	841	-
Canada and USA	513	82	1	-
South Eastern European countries	2,603	1,242	181	-
Other countries	95	50	1	-
	33,046	30,866	2,043	8

36. Operating lease commitments

The Group leases various offices under non-cancellable operating lease agreements. The leases have varying terms and renewal rights. The future minimum lease payments under non-cancellable operating leases are as follows:

	31 March 2005		31 December 2004	
	Land and buildings € million	**Furniture, equipment, vehicles € million**	Land and buildings € million	Furniture, equipment, vehicles € million
Not later than one year	**35**	**2**	44	3
Later than one year and no later than five years	**165**	**7**	158	6
Later than five years	**101**	**-**	101	-
	301	**9**	303	9

37. Contingent liabilities and commitments

	31 March 2005 € million	31 December 2004 € million
Contingent liabilities :		
Guarantees		
- guarantees and irrevocable letters of credit	**1,477**	1,523
- other guarantees	**484**	470
	1,961	1,993
Commitments :		
Documentary credits	**65**	50
Capital expenditure	**8**	8
	73	58
	2,034	2,051

The above amounts include: a) letter of guarantee that the Bank issued in favor of EFG Ora Funding Limited, amounting to € 461 million, for which the parent company of the Bank has guaranteed unconditionally and without the right of cancellation and b) letter of guarantee that the Bank issued in favor of EFG Ora Funding Limited II, amounting to € 355 million, for which there is a pledged deposit of Private Financial Investment Holdings Limited.

Legal proceedings

There were a number of legal proceedings outstanding against the Group as at the period end. The Group's management and its legal advisors believe that the outcome of existing lawsuits will not have a significant impact on the Group's financial statements.

38. Business segments

The group is organised into five main business segments:

- Retail - incorporating customer current accounts, savings, deposits, 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.
- 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.
- 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 products and institutional asset management.
- SEE (South Eastern Europe) - incorporating operations in the Balkans.

38. Business segments (continued)

Other operations of the group comprise mainly investing activities, including property management and investment, electronic commerce and internet services, 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 or assets. Information on geographical concentration of assets, liabilities and off balance sheet items is presented in note 35.

For the three month period ended 31 March 2005

	Retail € million	Corporate € million	AM, PB & INS € million	Global & Capital Markets € million	Other € million	Elimination Center € million	SEE € million	Total € million
Operating income	235	62	27	53	9	(2)	44	428
Profit from operations	68	26	14	41	(2)	-	7	154
Profit before tax	69	26	14	41	(1)	-	7	156
Income tax expense								(45)
Group Profit after tax								111
Minority interest								(2)
Net profit attributable to shareholders								109
As at 31 March 2005:								
Segment assets	13,284	8,767	455	8,700	1,804	-	2,007	35,017
Associates	5	-	-	-	88	-	-	93
	13,289	8,767	455	8,700	1,892	-	2,007	35,110
Segment liabilities	9,480	2,372	2,598	9,846	7,006	-	1,337	32,639

For the three month period ended 31 March 2004

	Retail € million	Corporate € million	AM, PB & INS € million	Global & Capital Markets € million	Other € million	Elimination Center € million	SEE € million	Total € million
Operating income	184	58	17	43	10	(1)	33	344
Profit from operations	46	27	9	31	(3)	-	3	113
Profit before tax	46	27	9	31	(2)	-	3	114
Income tax expense								(32)
Group Profit after tax								82
Minority interest								(2)
Net profit attributable to shareholders								80
As at 31 December 2004:								
Segment assets	12,563	8,208	599	7,757	2,086	-	1,776	32,989
Associates	5	-	-	-	52	-	-	57
	12,568	8,208	599	7,757	2,138	-	1,776	33,046
Segment liabilities	9,925	2,220	2,445	8,859	5,857	-	1,560	30,866

39. Currency risk

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 March 2005 and 31 December 2004. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by currency.

	31 March 2005			
	€ million			
	Euro	**USD**	**Other**	**Total**
Assets				
Cash and balances with central banks	777	68	432	**1,277**
Treasury bills and other eligible bills	265	-	27	**292**
Due from other banks	1,062	244	79	**1,385**
Trading securities	1,422	44	77	**1,543**
Derivative financial instruments	291	25	7	**323**
Loans and advances to customers	20,900	651	1,106	**22,657**
Available-for-sale investment securities	5,067	684	489	**6,240**
Investments in associated undertakings	93	-	-	**93**
Intangible assets	68	-	-	**68**
Property, plant and equipment	612	1	137	**750**
Other assets	459	13	10	**482**
Total assets	**31,016**	**1,730**	**2,364**	**35,110**
Liabilities				
Due to other banks	4,687	669	496	**5,852**
Derivative financial instruments	2,740	(2,388)	254	**606**
Due to customers	13,019	3,169	2,044	**18,232**
Liabilities evidenced by paper	6,649	247	77	**6,973**
Other liabilities	2,001	(2)	(1,023)	**976**
Total liabilities	**29,096**	**1,695**	**1,848**	**32,639**
Net balance sheet position	**1,920**	**35**	**516**	**2,471**
Off balance sheet net notional position	**271**	**(70)**	**(183)**	**18**
Contingent liabilities and commitments (Note 37)	**1,890**	**128**	**16**	**2,034**

	31 December 2004			
	€ million			
	Euro	USD	Other	Total
Assets				
Cash and balances with central banks	1,105	82	323	1,510
Treasury bills and other eligible bills	484	-	30	514
Due from other banks	411	231	91	733
Trading securities	1,846	28	100	1,974
Derivative financial instruments	215	33	7	255
Loans and advances to customers	19,609	597	1,025	21,231
Available-for-sale investment securities	4,501	559	425	5,485
Investments in associated undertakings	57	-	-	57
Intangible assets	68	-	-	68
Property, plant and equipment	605	-	136	741
Other assets	439	10	29	478
Total assets	29,340	1,540	2,166	33,046
Liabilities				
Due to other banks	4,225	635	501	5,361
Derivative financial instruments	2,202	(1,851)	274	625
Due to customers	13,175	2,504	2,529	18,208
Liabilities evidenced by paper	5,502	188	81	5,771
Other liabilities	2,510	18	(1,627)	901
Total liabilities	27,614	1,494	1,758	30,866
Net balance sheet position	1,726	46	408	2,180
Off balance sheet net notional position	117	(34)	(81)	2
Contingent liabilities and commitments (Note 37)	1,551	329	171	2,051

40. Interest rate risk

The table below summarises the Group's exposure to interest rate risk. Included in the table are the group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	31 March 2005					
	Up to 3 months € million	**3 - 12 months € million**	**1 - 5 years € million**	**Over 5 years € million**	**Non-interest bearing € million**	**Total € million**
Assets						
Cash and balances with central banks	1,146	-	-	-	131	**1,277**
Treasury bills and other eligible bills	169	123	-	-	-	**292**
Due from other banks	1,374	3	-	-	8	**1,385**
Trading securities	988	40	82	345	88	**1,543**
Derivative financial instruments	-	-	-	-	323	**323**
Loans and advances to customers	19,194	1,508	1,433	447	75	**22,657**
Available-for-sale investment securities	253	329	2,281	3,216	161	**6,240**
Investments in associated undertakings	-	-	-	-	93	**93**
Intangible assets	-	-	-	-	68	**68**
Property, plant and equipment	-	-	-	-	750	**750**
Other assets	-	-	-	-	482	**482**
Total assets	**23,124**	**2,003**	**3,796**	**4,008**	**2,179**	**35,110**
Liabilities						
Due to other banks	5,273	541	9	-	29	**5,852**
Derivative financial instruments	-	-	-	-	606	**606**
Due to customers	17,653	295	69	128	87	**18,232**
Liabilities evidenced by paper	6,100	193	294	386	-	**6,973**
Other liabilities	-	-	-	-	976	**976**
Total liabilities	**29,026**	**1,029**	**372**	**514**	**1,698**	**32,639**
On balance sheet interest sensitivity gap	**(5,902)**	**974**	**3,424**	**3,494**	**481**	**2,471**
Off balance sheet interest sensitivity gap	**3,913**	**(357)**	**(1,111)**	**(2,449)**	**-**	**(4)**

	31 December 2004					
	Up to 3 months € million	3 - 12 months € million	1 - 5 years € million	Over 5 years € million	Non-interest bearing € million	Total € million
Assets						
Cash and balances with central banks	1,402	-	-	-	108	1,510
Treasury bills and other eligible bills	264	250	-	-	-	514
Due from other banks	707	12	-	-	14	733
Trading securities	292	988	131	346	217	1,974
Derivative financial instruments	-	-	-	-	255	255
Loans and advances to customers	17,671	1,254	1,740	454	112	21,231
Available-for-sale investment securities	574	103	2,018	2,410	380	5,485
Investments in associated undertakings	-	-	-	-	57	57
Intangible assets	-	-	-	-	68	68
Property, plant and equipment	-	-	-	-	741	741
Other assets	-	-	-	-	478	478
Total assets	20,910	2,607	3,889	3,210	2,430	33,046
Liabilities						
Due to other banks	5,001	308	25	25	2	5,361
Derivative financial instruments	-	-	-	-	625	625
Due to customers	17,551	343	109	130	75	18,208
Liabilities evidenced by paper	5,193	330	242	6	-	5,771
Other liabilities	-	-	-	-	901	901
Total liabilities	27,745	981	376	161	1,603	30,866
On balance sheet interest sensitivity gap	(6,835)	1,626	3,513	3,049	827	2,180
Off balance sheet interest sensitivity gap	2,014	(192)	(198)	(2,148)	11	(513)

The table below summarises the effective average interest rate for monetary financial instruments:

	31 March 2005	31 December 2004
Assets		
Due from other banks	**2.7%**	2.0%
Trading securities	**2.6%**	2.4%
Loans and advances to customers	**6.5%**	6.5%
Available-for-sale investment securities	**3.2%**	2.8%
Liabilities		
Due to other banks	**2.2%**	2.0%
Due to customers	**1.7%**	1.5%
Liabilities evidenced by paper	**2.7%**	2.6%

41. Maturity of assets and liabilities

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	31 March 2005					
	Up to 1 month € million	**1-3 months € million**	**3 - 12 months € million**	**1 - 5 years € million**	**Over 5 years € million**	**Total € million**
Assets						
Cash and balances with central banks	1,277	-	-	-	-	**1,277**
Treasury bills and other eligible bills	161	8	123	-	-	**292**
Due from other banks	1,270	80	28	7	-	**1,385**
Trading securities	1,016	36	10	180	301	**1,543**
Derivative financial instruments	24	21	61	159	58	**323**
Loans and advances to customers	947	2,653	9,303	5,066	4,688	**22,657**
Available-for-sale investment securities	223	95	355	2,224	3,343	**6,240**
Investments in associated undertakings	-	-	-	-	93	**93**
Intangible assets	-	-	-	-	68	**68**
Property, plant and equipment	-	-	-	-	750	**750**
Other assets	186	12	76	115	93	**482**
Total assets	**5,104**	**2,905**	**9,956**	**7,751**	**9,394**	**35,110**
Liabilities						
Due to other banks	4,358	1,373	5	100	16	**5,852**
Derivative financial instruments	18	21	66	236	265	**606**
Due to customers	13,454	3,099	804	486	389	**18,232**
Liabilities evidenced by paper	739	1,099	246	3,463	1,426	**6,973**
Other liabilities	260	114	117	313	172	**976**
Total liabilities	**18,829**	**5,706**	**1,238**	**4,598**	**2,268**	**32,639**
Net liquidity gap	**(13,725)**	**(2,801)**	**8,718**	**3,153**	**7,126**	**2,471**

	31 December 2004					
	Up to 1 month € million	1-3 months € million	3 - 12 months € million	1 - 5 years € million	Over 5 years € million	Total € million
Assets						
Cash and balances with central banks	1,510	-	-	-	-	1,510
Treasury bills and other eligible bills	259	-	255	-	-	514
Due from other banks	675	56	2	-	-	733
Trading securities	269	8	801	463	433	1,974
Derivative financial instruments	24	30	62	107	32	255
Loans and advances to customers	728	2,546	8,870	4,819	4,268	21,231
Available-for-sale investment securities	408	95	138	1,751	3,093	5,485
Investments in associated undertakings	-	-	-	-	57	57
Intangible assets	-	-	-	-	68	68
Property, plant and equipment	-	-	-	-	741	741
Other assets	155	19	80	92	132	478
Total assets	4,028	2,754	10,208	7,232	8,824	33,046
Liabilities						
Due to other banks	3,693	1,324	262	82	-	5,361
Derivative financial instruments	57	21	75	140	332	625
Due to customers	14,618	2,169	859	370	192	18,208
Liabilities evidenced by paper	972	539	488	2,418	1,354	5,771
Other liabilities	295	80	180	133	213	901
Total liabilities	19,635	4,133	1,864	3,143	2,091	30,866
Net liquidity gap	(15,607)	(1,379)	8,344	4,089	6,733	2,180

42. Post balance sheet events

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

Note 21 - Shares in subsidiary undertakings
Note 22 - Investments in associated undertakings
Note 28 - Liabilities evidenced by paper
Note 33 - Share options
Note 46 - Dividends

43. Acquisition of subsidiaries

During the period from 1 January 2005 to 31 March 2005 there were no acquisitions of subsidiaries. Details of acquisitions during the year ended 31 December 2004 that gave rise to goodwill are as follows:

	Fair value of net assets acquired € million	Consideration € million	Goodwill € million
Intertrust Mutual Funds Co S.A.			
In October 2004, the Bank acquired 100% of the outstanding share capital of Intertrust Mutual Funds Co SA from Eureko BV, parent company of Interamerican Group and Novabank SA.	43	88	45
Other acqusitions	21	27	6
Total	**64**	**115**	**51**

The other acquisitions consist of the following:
a) Acquisition of an additional 17.94% of the share capital of Bancpost SA (Romania).
b) Acquisition of an additional 10% of the share capital of EFG Insurance Services SA.
c) Acquisition of an additional 1.91% of the share capital of EFG Eurobank AD Beograd.

From the following acquisitions that occurred during the year ended 31 December 2004 net assets with fair value of € 22 million were acquired and the consideration paid was € 21 million. The excess of € 1 million in the fair value of the net assets acquired over the consideration paid has been recognised in the income statement and has been included as a credit within operating expenses.

a) Partial participation in the share capital increase of Be-Business Exchange SA.
b) Acquisition of an additional 5.03% of the share capital of Bulgarian Post Bank AD.
c) Acquisition of an additional 14.6% of the share capital of Bancpost SA.

Intertust Mutual Funds Co S.A.

On 26 October 2004, EFG Eurobank Ergasias S.A. acquired 100% of the outstanding share capital of Intertrust Mutual Funds Co S.A. The Bank accounted for this business acquisition by the purchase method of accounting. The acquired company contributed a net loss of € 1.3 million to the Group for the period from 30 October to 31 December 2004.

The details of the fair value of the assets and liabilities acquired and goodwill arising are as follows:

	€ million
Due from other banks	18
Available for sale investments (Note 20)	7
Other assets	8
Intangible assets	17
Other liabilities	(7)
Goodwill	45
Total purchase consideration	**88**
Purchase consideration paid (discharged by cash)	74
Deferred purchase consideration	14
Total purchase consideration	**88**

The goodwill is attributable to the synergies, which are expected to arise from the acquired business.

44. 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, which owns 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 guarantees and derivatives. The volume of related party transactions and outstanding balances at the period/year-end are as follows:

44. Related party transactions (continued)

	31 March 2005		
	EFG Group € million	**Key management personnel € million**	**Other € million**
Due from other banks	92	-	-
Trading securities	2	-	-
Available for sale investment securities	-	-	13
Loans and advances to customers	43	6	93
Due to other banks	382	-	-
Due to customers and liabilities evidenced by paper	434	14	80
Other liabilities	15	-	52
Interest income	1	-	1
Interest expense	5	-	1
Letters of guarantee issued	835	-	116
Letters of guarantee received	591	-	2

	31 December 2004		
	EFG Group € million	Key management personnel € million	Other € million
Trading securities	8	-	-
Available for sale investment securities	-	-	14
Loans and advances to customers	29	7	95
Due to other banks	29	-	-
Due to customers and liabilities evidenced by paper	421	8	51
Other liabilities	2	-	-
Interest income for the three months ended 31 March 2004	-	-	1
Interest expense for the three months ended 31 March 2004	1	-	-
Letters of guarantee issued	835	-	131
Letters of guarantee received	574	-	-

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

In relation to the letters of guarantee issued, the Group has received cash collateral of € 355 million which is included in due to customers and liabilities evidenced by paper above.

No provisions have been recognised in respect of loans given to related parties (2004: nil).

Based on agreements the Group provides the following services to associated undertakings:
(a) Dias AEEX - portfolio management, custodian and share registry services.
(b) The Greek Progress Fund SA - advisory services on investment analysis and management, custodian and share registry services.

Key management compensation (including directors)

During the period ended 31 March 2005 the salaries and other short-term employee benefits of key management personnel were € 2 million (period ended 31 March 2004 € 2 million)

45. Board of Directors

The Board of Directors of the Bank since the Bank's Annual General Meeting of 5 April 2004 is the following

X. C. Nickitas	Chairman
G. C. Gondicas	Honorary Chairman (non executive)
Ms A.M.L. Latsis	1st Vice Chairman (non executive)
L. D. Efraimoglou	2nd Vice Chairman (non executive)
N. C. Nanopoulos	Chief Executive Officer
B. N. Ballis	Deputy Chief Executive Officer
N. B. Karamouzis	Deputy Chief Executive Officer
H. M. Kyrkos	Executive
N. C. Pavlidis	Executive
F. S. Antonatos	Non Executive
A. G. Bibas	Non Executive
E. L. Bussetil	Non Executive
S. P. Fafalios	Independent Non Executive
P. Lambropoulos	Independent Non Executive
S. J. Latsis	Non Executive
P. P. Petalas	Non Executive

Messrs T.von Heydebreck, B.A. von Maltzan, S.G. Papaderos and K.J. Nasikas served as directors during the period from 1 January 2004 to 5 April 2004.

46. Dividends

Final dividends are not accounted for until they have been ratified at the Annual General Meeting. At the meeting on 5 April 2005 a dividend in respect of 2004 of € 0.72 per share amounting to a total of € 226 million was approved. Out of this approved dividend an interim dividend of € 0.30 per share amounting to € 94 million was paid during 2004 in accordance with the decision of the Board of Directors of 22 October 2004. The remaining dividend of € 0.42 per share amounting to € 132 million has been paid in April 2005. The interim dividend of € 0.30 per share has been accounted for in shareholders equity as an appropriation of retained earnings in the year ended 31 December 2004. The final dividend of € 0.42 per share has not been reflected in these consolidated interim financial statements and it will be accounted for in shareholders equity as an appropriation of retained earnings during the period from 1 April 2005 to 30 June 2005.

At the meeting of 5 April 2004 a dividend in respect of 2003 of € 0.60 per share amounting to a total dividend of € 185 million was approved. This dividend which has been paid during 2004 has been accounted for in shareholders equity as an appropriation of retained earnings in the year ended 31 December 2004.

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2005

EFG EUROBANK ERGASIAS S.A.

Consolidated Interim Condensed Financial Statements for the six months ended 30 June 2005

Index to the Consolidated Interim Condensed Financial Statements

Review report of the auditors
To the Shareholders of EFG EUROBANK ERGASIAS S.A.

We have reviewed the accompanying consolidated interim condensed financial statements of EFG EUROBANK ERGASIAS S.A. (the "Company") and its subsidiaries (the "Group"), for the six month period ended 30 June 2005. These consolidated interim condensed financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated interim condensed financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400, as required by the Greek Standards on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the consolidated interim condensed financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements of the Group have not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Athens, 10 August 2005

PRICEWATERHOUSECOOPERS

EFG EUROBANK ERGASIAS S.A.

Consolidated Interim Income Statements

		Six months ended 30 June		Three months ended 30 June	
	Note	2005 € million	2004 € million	2005 € million	2004 € million
Net interest income		629	509	321	263
Net banking fee and commission income		179	142	90	75
Net insurance income		16	11	12	7
Non banking services		15	12	8	6
Core income		839	674	431	351
Dividend income		3	5	3	4
Net trading income/(loss)		11	7	4	5
Gains less losses from other securities		30	32	18	15
Other operating income		5	4	4	3
		49	48	29	27
Operating income	5	888	722	460	378
Operating expenses		(421)	(379)	(218)	(193)
Impairment losses on loans and advances		(153)	(109)	(82)	(64)
Profit from operations	5	314	234	160	121
Share of results of associates before tax		6	2	4	1
Profit before tax	5	320	236	164	122
Income tax expense		(92)	(71)	(47)	(39)
Profit after tax		228	165	117	83
Minority interest		(3)	(4)	(1)	(2)
Net profit for the period attributable to shareholders		225	161	116	81
	Note	**€**	**€**	**€**	**€**
Earnings per share					
– basic	6	0.72	0.52	0.37	0.26
– diluted	6	0.72	0.52	0.37	0.26

The notes on pages 7 to 18 form an integral part of these consolidated interim condensed financial statements.

EFG EUROBANK ERGASIAS S.A.

Consolidated Interim Balance Sheet at 30 June 2005

	Note	30 June 2005 € million	31 December 2004 € million
ASSETS			
Cash and balances with central banks		1,358	1,510
Treasury bills and other eligible bills		382	514
Due from other banks		2,660	733
Trading securities		1,032	1,974
Derivative financial instruments		198	255
Loans and advances to customers		24,138	21,231
Available-for-sale investment securities		7,799	5,485
Investments in associated undertakings	8	103	57
Intangible assets		98	68
Property, plant and equipment		734	741
Other assets		481	478
Total assets		38,983	33,046
LIABILITIES			
Due to other banks		9,246	5,361
Derivative financial instruments		632	625
Due to customers		17,601	18,208
Liabilities evidenced by paper	9	8,176	5,771
Other liabilities		894	901
Total liabilities		36,549	30,866
EQUITY			
Share capital	10	923	926
Share premium	10	480	501
Other reserves		764	675
Total shareholders' equity		2,167	2,102
Minority interest		267	78
Total shareholders' equity and minority interest		2,434	2,180
Total equity and liabilities		38,983	33,046

The notes on pages 7 to 18 form an integral part of these consolidated interim condensed financial statements.

EFG EUROBANK ERGASIAS S.A.

Consolidated Interim Statement of Changes in Equity
for the six months ended 30 June 2005

	Attributable to equity holders of the Bank						
	Share capital € million	Share premium € million	Special reserves € million	Retained earnings € million	Total € million	Minority interest € million	Total € million
Balance at 1 January 2004	903	459	784	(193)	1,953	105	2,058
Cash flow hedges							
– net changes in fair value, net of tax	–	–	(7)	–	(7)	–	(7)
– transfer to net profit, net of tax	–	–	9	–	9	–	9
Available-for-sale securities							
– net changes in fair value, net of tax	–	–	18	–	18	–	18
– transfer to net profit, net of tax	–	–	(55)	–	(55)	–	(55)
Currency translation differences	–	–	2	–	2	–	2
Net income/(expense) recognised directly in equity	–	–	(33)	–	(33)	–	(33)
Profit for the period	–	–	–	161	161	4	165
Total recognised income for the six months ended 30 June 2004	–	–	(33)	161	128	4	132
Issue of share capital – capitalisation of retained earnings	3	–	–	(3)	–	–	–
Increase in Group's holding in subsidiaries	–	–	–	–	–	(20)	(20)
Minority's share of capital increase of subsidiaries	–	–	–	–	–	1	1
Dividend for 2003 (Note 17)	–	–	–	(185)	(185)	–	(185)
Dividend paid by subsidiaries attributable to minority interest	–	–	–	–	–	(2)	(2)
Purchase of treasury shares	(8)	(37)	–	–	(45)	–	(45)
Sale of treasury shares	14	53	8	–	75	–	75
	9	16	8	(188)	(155)	(21)	(176)
Balance at 30 June 2004	912	475	759	(220)	1,926	88	2,014
Balance at 1 January 2005	926	501	599	76	2,102	78	2,180
Cash flow hedges							
– net changes in fair value, net of tax	–	–	(11)	–	(11)	–	(11)
– transfer to net profit, net of tax	–	–	8	–	8	–	8
Available-for-sale securities							
– net changes in fair value, net of tax	–	–	37	–	37	–	37
– transfer to net profit, net of tax	–	–	(41)	–	(41)	–	(41)
– net changes in fair value, net of tax associated undertakings	–	–	2	–	2	–	2
Net income/(expense) recognised directly in equity	–	–	(5)	–	(5)	–	(5)
Profit for the period	–	–	–	225	225	3	228
Total recognised income for the six months ended 30 June 2005	–	–	(5)	225	220	3	223
Minority's share of capital increase of subsidiaries	–	–	–	–	–	1	1
Issue of preferred securities (Note 12)							
Recognition of share-based payment	–	–	–	–	–	186	186
Dividend for 2004 (Note 17)	–	–	1	–	1	–	1
Dividend paid by subsidiaries attributable to minority interest	–	–	–	(132)	(132)	–	(132)
	–	–	–	–	–	(1)	(1)
Purchase of treasury shares (Note 10)	(4)	(28)	–	–	(32)	–	(32)
Sale of treasury shares (Note 10)	1	7	–	–	8	–	8
	(3)	(21)	1	(132)	(155)	186	31
Balance at 30 June 2005	923	480	595	169	2,167	267	2,434

The notes on pages 7 to 18 form an integral part of these consolidated interim condensed financial statements.

EFG EUROBANK ERGASIAS S.A.

Consolidated Interim Cash Flow Statement for the six months ended 30 June 2005

	Note	Six months ended 30 June 2005 € million	Six months ended 30 June 2004 € million
Cash flows from operating activities			
Interest received and net trading receipts		824	771
Interest paid		(368)	(431)
Fee and commission received		284	247
Fee and commission paid		(50)	(14)
Dividend received		3	5
Other income received		18	14
Cash payments to employees and suppliers		(312)	(281)
Income taxes paid		(151)	(120)
Cash flows from operating profits before changes in operating assets and liabilities		248	191
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		(80)	(61)
Net (increase)/decrease in treasury bills and other eligible bills		134	(100)
Net (increase)/decrease in trading securities		734	808
Net (increase)/decrease in due from other banks		(35)	(20)
Net (increase)/decrease in loans and advances to customers		(2,872)	(2,626)
Net (increase)/decrease in other assets		83	89
Net increase/(decrease) in due to other banks		3,882	(289)
Net increase/(decrease) in due to customers		(676)	1,202
Net increase/(decrease) in other liabilities		(216)	1
Net cash from operating activities		1,202	(805)
Cash flows from investing activities			
Purchases of property, plant and equipment		(55)	(28)
Proceeds from sale of property, plant and equipment		9	11
Purchases of available-for-sale investment securities		(3,289)	(1,416)
Proceeds from sale of available-for-sale investment securities		1,337	894
Proceeds from liquidation of subsidiary undertakings		–	15
Acquisition of subsidiary undertakings		(23)	(15)
Acquisition of associated undertakings		(39)	–
Dividend from associated undertakings		–	3
Net contributions by minority interest		187	(17)
Net cash from investing activities		(1,873)	(553)
Cash flows from financing activities			
Proceeds from liabilities evidenced by paper	9	6,864	5,512
Repayments of liabilities evidenced by paper	9	(4,483)	(3,434)
Dividends paid	17	(132)	(185)
Purchases of treasury shares		(32)	(45)
Proceeds from sale of treasury shares		8	75
Net cash from financing activities		2,225	1,923
Effect of exchange rate changes on cash and cash equivalents		33	3
Net increase/(decrease) in cash and cash equivalents		1,587	568
Cash and cash equivalents at beginning of period		2,247	2,646
Cash and cash equivalents at end of period		3,834	3,214

The notes on pages 7 to 18 form an integral part of these consolidated interim condensed financial statements.

EFG EUROBANK ERGASIAS S.A.

Notes to the Consolidated Interim Condensed Financial Statements

1. General information

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

These consolidated interim condensed financial statements were approved by the Board of Directors on 9 August 2005.

2. Basis of preparation of consolidated interim condensed financial statements

These consolidated interim condensed 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 interim consolidated financial statements for the three months ended 31 March 2005 which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3. Principal accounting policies

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

4. Transition to IFRS

4.1 Basis of transition to IFRS

The Group's basis of transition to IFRS is described in the Group's published consolidated interim financial statements for the three months ended 31 March 2005.

4.2 Reconciliations between IFRS and Greek GAAP

The reconciliations of consolidated shareholders' equity at 1 January 2004 and at 31 December 2004 and the reconciliation of consolidated profit for 2004 have been included in the published consolidated interim financial statements of the Group for the three months ended 31 March 2005.

The following reconciliations provide details of the impact of the transition to IFRS on:

– consolidated shareholders' equity at 30 June 2004 (Note 4.2.1)

– consolidated balance sheet at 30 June 2004 (Note 4.2.2),

– consolidated income statement for the three months ended 30 June 2004 (Note 4.2.3),

– consolidated income statement for the six months ended 30 June 2004 (Note 4.2.4), and

– consolidated cash flow statement for the six months ended 30 June 2004 (Note 4.2.5).

4.2.1 Summary impact on consolidated shareholders' equity of transition from Greek GAAP to IFRS

	30 June 2004 € million
Total consolidated shareholders' equity under Greek GAAP	1,987
Effect of fair valuation of available-for-sale investments net of deferred tax (IAS 39)	115
Effect of fair valuation of hedging derivatives and application of hedge accounting net of deferred tax (IAS 39)	(112)
Effect of application of effective interest method net of deferred tax (IAS 18 and IAS 39)	(19)
Effect of application of discounting of expected cash flows in determination of loan impairment net of deferred tax (IAS 39)	(33)
Effect of adjustments on tangible fixed assets net of deferred tax (IAS 16, IAS 17, IAS 36, IAS 40)	46
Additional employee benefit provisions for possible separations and for potential pension fund obligations net of deferred tax and cash profit distributions (IAS 19)	(49)
Cumulative impact of other items	(9)
Total consolidated shareholders' equity under IFRS	1,926

Major differences between Greek GAAP and IFRS which are relevant to the Group are analysed in sections 4.3 and 4.4.

4.2.2 Consolidated balance sheet reconciliation at 30 June 2004

	Note 4.3.	GR GAAP € million	Transition Adjustments € million	IFRS € million
ASSETS				
Cash and balances with central banks	a	1,041	(7)	1,034
Due from other banks	b	1,776	496	2,272
Loans and advances to customers	c	18,103	1,061	19,164
Securities (excluding derivatives)	d	7,712	102	7,814
Investments in associated undertakings		20	(2)	18
Fixed assets (tangible and intangible excluding goodwill)	e	626	82	708
Other assets (including derivatives)	f	912	(243)	669
Total assets		30,190	1,489	31,679
LIABILITIES AND EQUITY				
Due to other banks	b	4,859	487	5,346
Due to customers	b	18,503	32	18,535
Liabilities evidenced by paper	g	3,828	736	4,564
Other liabilities (including derivatives)	h	909	311	1,220
Shareholders' equity	i	1,987	(61)	1,926
Minority interest	l	104	(16)	88
Total liabilities and equity		30,190	1,489	31,679

4.2.3 Consolidated income statement reconciliation for the three months ended 30 June 2004

	Note 4.4.	GR GAAP € million	Transition Adjustments € million	IFRS € million
Net interest income	a	252	11	263
Net banking fee and commission income	a	96	(21)	75
Net insurance income	b	–	7	7
Non banking services	b	–	6	6
Core income		348	3	351
Non core income	c	31	(4)	27
Operating income		379	(1)	378
Operating expenses	d	(188)	(5)	(193)
Impairment losses on loans and advances	e	(60)	(4)	(64)
Profit from operations		131	(10)	121
Share of results of associates before tax		–	1	1
Profit before tax		131	(9)	122
Income tax expense		(39)	–	(39)
Profit after tax		92	(9)	83
Minority interest		(1)	(1)	(2)
Net profit for the period attributable to shareholders		91	(10)	81

4.2.4 Consolidated income statement reconciliation for the six months ended 30 June 2004

	Note 4.4.	GR GAAP € million	Transition Adjustments € million	IFRS € million
Net interest income	a	486	23	509
Net banking fee and commission income	a	180	(38)	142
Net insurance income	b	–	11	11
Non banking services	b	–	12	12
Core income		666	8	674
Non core income	c	61	(13)	48
Operating income		727	(5)	722
Operating expenses	d	(373)	(6)	(379)
Impairment losses on loans and advances	e	(98)	(11)	(109)
Profit from operations		256	(22)	234
Share of results of associates before tax		–	2	2
Profit before tax		256	(20)	236
Income tax expense		(73)	2	(71)
Profit after tax		183	(18)	165
Minority interest		(4)	–	(4)
Net profit for the period attributable to shareholders		179	(18)	161

4.2.5 Consolidated cash flow statement reconciliation for the six months ended 30 June 2004

	GR GAAP € million	Transition Adjustments € million	IFRS € million
Net cash from operating activities	157	(962)	(805)
Net cash from investing activities	(578)	25	(553)
Net cash from financing activities	1,152	771	1,923
Effect of exchange rate changes on cash and cash equivalents	–	3	3
Net increase/(decrease) in cash and cash equivalents	731	(163)	568
Cash and cash equivalents at beginning of period	2,085	561	2,646
Cash and cash equivalents at end of period	2,816	398	3,214

The main effects of the transition from GR GAAP to IFRS on the Group's consolidated cash flow statement are the following:

(1) Under GR GAAP cash and cash equivalents include cash and balances with central banks and balances due from other banks. Under IFRS cash and cash equivalents include cash and balances with central banks, treasury bills and other eligible bills, due from other banks and trading securities when they have less than 90 days' maturity. These differences have affected the cash and cash equivalents at the beginning and end of the period and the net cash from operating activities.

(2) The cash flows under IFRS include the effects of consolidation of special purpose vehicles that were not consolidated under GR GAAP.

(3) The cash flows under IFRS reflect, where applicable, other reclassification and presentation differences in relation to the IFRS transition.

4.3 Explanation of adjustments to consolidated balance sheet items

The following analysis explains the material adjustments to consolidated balance sheet items.

(a) Cash and balances with central banks

The decrease in cash and balances with central banks under IFRS arose due to presentation differences.

(b) Due from other banks, Due to other banks and Due to customers

(1) Under Greek GAAP debt instruments were recognised when settled whereas the accounting policy adopted by the Group under IAS 39 is trade date accounting. The impact of adoption of IAS 39 resulted in the recognition of assets and liabilities based on trade date accounting.

(2) Under IFRS reclassifications have been performed for accrued interest and other presentation differences.

(c) Loans and advances to customers

(1) In June 2004 the Group proceeded with the securitisation of mortgage loans. Under Greek GAAP securitised assets were removed from the balance sheet and securitisation vehicles were not consolidated. Under IAS 39, IAS 27 and SIC 12

securitisation vehicles were consolidated and the consolidation has resulted in an increase in loans and advances.

(2) Under IFRS reclassifications have been performed for accrued interest and other presentation differences.

(3) Under IAS 39 loan impairment is calculated based on loss events and discounted estimated recoverable net cash flows, which has resulted in a decrease in loans and advances.

(4) Under Greek GAAP debt instruments were recognised when settled whereas the accounting policy adopted by the Group under IAS 39 is trade date accounting. The impact of adoption of IAS 39 was an increase in loans and advances to customers as a result of the recognition of assets based on trade date accounting.

(d) Securities (excluding derivatives)

(1) Under Greek GAAP the investment portfolio was carried at the lower of total cost/amortised cost and market value. Under IAS 39 the investment portfolio has been classified as available for sale securities which are measured at fair value with fair value gains and losses recorded in equity. This fair valuation has resulted in an increase in the value of available for sale securities. Under Greek GAAP the impairment policy of equity instruments was already aligned with IAS 39 requirements.

(2) Under IFRS reclassifications have been performed for accrued interest.

(e) Fixed assets (tangibles and intangibles excluding goodwill)

Under Greek GAAP fixed assets were carried at cost less accumulated depreciation and depreciation was calculated using specified tax rates. There is also a legal requirement for revaluation of properties every four years based on tax values. Under IFRS properties that are held for own use have been classified as property, plant and equipment and are accounted for in accordance with IAS 16 and property held to earn rentals and/or capital appreciation is classified as investment property and is accounted for under the cost model under IAS 40. Depreciation is charged over the useful economic life of assets. Expenses capitalised under GR GAAP were written off and impairment of properties was recorded. The Group has elected to measure all own use properties and one investment property at fair value at 1 January 2004, following the IFRS1 optional exemption for fair value as deemed cost and retain these values as deemed cost. The impact of the transition to IFRS in relation to the above items was an increase in fixed assets.

(f) Other assets (including derivatives)

The movement in other assets was mainly due to accrued interest reclassification differences and the fair valuation of hedging derivatives. Under Greek GAAP trading derivatives were fair valued whereas accrual accounting was used for hedging derivatives. In accordance with IAS 39 all derivatives are carried at fair value. The adjustment regarding the fair valuation of hedging derivatives has resulted in the recognition of hedging derivatives with positive fair value as assets.

(g) Liabilities evidenced by paper

Under Greek GAAP securitisation vehicles were not consolidated. Under IAS 39, IAS 27 and SIC 12 securitisation vehicles were consolidated and the consolidation has resulted in an increase in liabilities evidenced by paper.

(h) Other liabilities (including derivatives)

(1) Under Greek GAAP trading derivatives were fair valued whereas accrual accounting was used for hedging derivatives. In accordance with IAS 39 all derivatives are carried at fair value. The adjustment regarding the fair valuation of hedging derivatives has resulted in the recognition of hedging derivatives with negative fair value as liabilities.

(2) Under Greek GAAP provisions for employee benefits were recognised in accordance with the Greek Labour legislation solely for staff retirement indemnity. Under IAS 19 the Group provides for staff retirement indemnity and potential separations before normal retirement which has resulted in an increase in liabilities.

(i) Shareholders' equity and minority interest

The above adjustments were recorded, where applicable, against reserves resulting in a decrease in equity as at 30 June 2004 (table 4.2.1) and a decrease in minority interest.

4.4 Explanation of adjustments to consolidated income statement items

The following analysis explains the material adjustments to consolidated income statement items.

(a) Net interest income and net banking fee and commission income

(1) Under Greek GAAP fees received and costs incurred in relation to financial assets were recognised on a cash basis as commissions. The treatment of certain fees as an adjustment to the effective interest rate under IAS 18 and IAS 39 has resulted in an increase in net interest income and in a decrease in net banking fee and commission income.

(2) In June 2004 the Group proceeded with the securitisation of mortgage loans. Under GR GAAP securitisation vehicles were not consolidated and net income from retained interests was recorded as non-core income. Under IFRS securitisation vehicles were consolidated and mortgage loans interest was included in interest income.

(3) The net decrease in commission income is also due to presentation differences on the face of the income statement.

(b) Net insurance income and non banking services

For the purposes of the presentation of the IFRS income statement net insurance income and income from non banking services has been reclassified out of net banking fee and commission income into separate line items in the income statement.

(c) Non-core income

Under Greek GAAP the net income of the securitisation vehicles that were not consolidated was recognised in the income statement due to retained interests as non core income. Under IFRS the income statements of the consolidated securitisation vehicles are consolidated on a line-by-line basis. This has resulted in a reclassification from non-core income into net interest income since the second quarter of 2004.

(d) Operating expenses

(1) Under Greek GAAP depreciation was calculated using specified tax rates. Under IFRS depreciation is charged over the useful economic life of assets. This has resulted in a decrease in the depreciation expense.

(2) Under Greek GAAP provisions for employee benefits were recognised in accordance with the Greek Labour legislation solely for staff retirement indemnity. The additional provisions for staff retirement indemnity and potential separations before normal retirement under IAS 19 have resulted in an increase in staff costs.

(3) Under Greek GAAP bonus payments to employees are deducted directly from shareholders equity through the appropriation account when proposed. Under IFRS bonus payments to employees are recorded in the income statement when approved by the shareholders. This has resulted in an increase in operating expenses.

(e) Impairment losses on loans and advances

In relation to loan impairment, under Greek GAAP specific loan provisions were established on an individual and portfolio basis against performing and non-performing loans. This has resulted in recording of provisions based on expected losses taking into consideration the value of collateral with no discounting of expected future cash flows. In addition, under Greek GAAP expenses incurred for recoveries were recorded as commission expense. Under IAS 39 the Group has discounted expected cash flows and reclassified in the income statement expenses incurred for recoveries resulting in an increase in the impairment loss on loans and advances and an increase in fee and commission income.

5. Business segments

The Group is organised into five main business segments:

- Retail – incorporating customer current accounts, savings, deposits, 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 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.
- SEE (South Eastern Europe) – incorporating operations in the Balkans.

Other operations of the Group comprise mainly investing activities, including property management and investment, electronic commerce and internet services, 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 six months ended 30 June 2005							
	Retail € million	Corporate € million	AM, PB & INS € million	Global & Capital Markets € million	Other € million	Elimination Centre € million	SEE € million	Total € million
Operating income	498	130	56	95	21	(7)	95	888
Profit from operations	151	53	34	69	(2)	–	9	314
Profit before tax	152	53	34	69	3	–	9	320
Income tax expense								(92)
Group profit after tax								228
Minority interest								(3)
Net profit attributable to shareholders								225

	For the six months ended 30 June 2004							
	Retail € million	Corporate € million	AM, PB & INS € million	Global & Capital Markets € million	Other € million	Elimination Centre € million	SEE € million	Total € million
Operating income	383	121	34	82	34	(2)	70	722
Profit from operations	94	49	19	56	9	–	7	234
Profit before tax	94	49	19	56	11	–	7	236
Income tax expense								(71)
Group profit after tax								165
Minority interest								(4)
Net profit attributable to shareholders								161

6. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, 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 done 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.

		Six months ended 30 June		Three months ended 30 June	
		2005	2004	2005	2004
Net profit for period attributable to shareholders	€ million	225	161	116	81
Weighted average number of ordinary shares in issue	Number of shares	313,396,057	308,986,059	312,974,163	309,309,360
Weighted average number of ordinary shares for diluted earnings per share	Number of shares	313,634,445	310,333,198	313,385,831	311,006,145
Basic earnings per share	€	0.72	0.52	0.37	0.26
Diluted earnings per share	€	0.72	0.52	0.37	0.26

7. Shares in subsidiary undertakings

(a) Attikis Kerdoos Ermis AEPEY

In April 2005, EFG Eurobank Securities SA proceeded with the acquisition of 100% of the share capital of Attikis Kerdoos Ermis AEPEY stock brokerage company.

(b) HC Istanbul Holding A.S.

In May 2005, the Group completed the acquisition of 100% of the share capital of HC Istanbul Holding A.S. (renamed to EFG Istanbul Holding AS), a holding company based in Istanbul, Turkey. EFG Istanbul Holding A.S. owns 99.99% of EFG Istanbul Menkul Degerler A.S., (formerly HC Istanbul Menkul Degerler AS). EFG Istanbul Menkul Degerler A.S. is also based in Istanbul, engaging in corporate finance, brokerage, research and other capital market activities in Turkey.

(c) Capital S.A.

In May 2005, the Group completed the acquisition of 100% of the share capital of Capital S.A., a company providing investment banking services based in Romania. Capital S.A. fully controls a subsidiary, Capital Securities S.A., which is engaged in stock brokerage activities and is a member of the Romanian Stock Exchange.

(d) Telesis Direct SA

In June 2005, the Bank absorbed its 100% electronic brokerage subsidiary Telesis Direct SA.

(e) EFG Eurobank Leasing SA

In May 2005, the Group established EFG Eurobank Leasing S.A., an entity operating in the leasing industry in Romania.

(f) EFG Property Services SA

In June 2005, the Group, in cooperation with Lamda Development S.A., established EFG Property Services S.A., a real estate advisory services company in Romania. The Group controls 80% of the share capital and Lamda Development S.A., a related party, controls the remaining 20% of the share capital of EFG Property Services S.A.

(g) Themeleion II Mortgage Finance Plc

In June 2005, the Group established Themeleion II Mortgage Finance Plc, a special purpose entity, as part of the second securitisation of mortgage loans.

(h) Be Business Exchanges SA

In April 2005, the Group participated in the share capital increase of Be Business Exchanges SA and its shareholding was increased to 71%.

Post balance sheet events

(a) Attikis Kerdoos Ermis AEPEY

In July 2005 Attikis Kerdoos Ermis AEPEY was absorbed by EFG Eurobank Securities SA.

(b) Hellas on Line SA

On 5 August 2005 the Bank signed a pre-agreement for the sale of 100% of the share capital of its subsidiary Hellas on Line SA. The agreement is subject to approval from regulatory authorities and completion of legal and financial due diligence processes.

8. Investments in associated undertakings

(a) The Greek Progress Fund SA and DIAS AEEX

During the six months ended 30 June 2005 the Group increased its shareholding in The Greek Progress Fund SA and Dias AEEX to 48.4% and 37.2% respectively.

(b) LogicDIS

LogicDIS is a software development company in which the Group held 8.1%. In April 2005 the Group increased its shareholding in LogicDIS to 29.1% through the acquisition and exercise of additional rights at LogicDIS's share capital increase. The investment has been transferred from available-for-sale to associated undertakings.

Post balance sheet events

In July 2005 the Bank entered into an agreement to acquire the remaining shares of The Greek Progress Fund SA (Progress) as follows: Progress will proceed with a 1 for 10 shares bonus issue and a 14 for 11 shares rights issue of € 130 million; the Bank will subscribe to any rights remaining unexercised; the Bank will then issue 1 Eurobank share for every 7.9 Progress shares. The acquisition is subject to regulatory approvals and ratification by shareholders General Meetings of both companies. Completion is expected in the fourth quarter of 2005.

9. Liabilities evidenced by paper

The analysis below provides details of new issues and repayments of liabilities evidenced by paper during the six months ended 30 June 2005:

	New issues € million	Repayments € million
Short-term debt		
Commercial Paper (ECP)		
– fixed rate	3,971	4,096
Long-term debt		
Medium-term notes (EMTN)		
– fixed rate	425	237
– floating rate	1,494	93
Subordinated		
– fixed rate	224	–
Securitised		
– fixed rate	–	7
– floating rate	750	50
Total	6,864	4,483

In June 2005, the Group proceeded with the second securitisation of mortgage loans through the transfer of the loans to Themeleion II Mortgage Finance Plc, a special purpose entity, which in turn issued residential mortgage backed securities to investors. The total size of the issue amounts to € 750 million at an average funding cost of three month Euribor plus 17.5 basis points for seven years. The transaction has been accounted for as collateralised borrowing. The mortgage loans are retained on the balance sheet and the corresponding liability is included within liabilities evidenced by paper.

Post balance sheet events

In July 2005, the Group proceeded with the securitisation of part of the credit card loan portfolio and the issue of credit card asset backed securities to investors by Karta 2005-1 Plc, a special purpose entity registered in the United Kingdom. The total size of the issue amounts to € 750 million at an average funding cost of three month Euribor plus 21.7 basis points. The transaction will be accounted for as collateralised borrowing where the credit card loans will be retained on the consolidated balance sheet and the corresponding liability will be included within liabilities evidenced by paper.

10. Share capital, share premium and treasury shares

The following is an analysis of the movement of share capital, share premium and treasury shares. The par value of the Bank's shares is € 2.95 per share and all of the Bank's shares are fully paid.

	Ordinary share capital € million	Treasury shares € million	Net € million	Share premium € million	Treasury shares € million	Net € million
At 1 January 2005	927	(1)	926	503	(2)	501
Purchase of treasury shares	–	(4)	(4)	–	(28)	(28)
Sale of treasury shares	–	1	1	–	7	7
At 30 June 2005	927	(4)	923	503	(23)	480

The following is an analysis of the movement in the number of shares issued by the Bank:

	Number of shares		
	Issued	Treasury shares	Net
At 1 January 2005	314,009,537	(186,899)	313,822,638
Purchase of treasury shares	–	(1,323,280)	(1,323,280)
Sale of treasury shares	–	300,000	300,000
At 30 June 2005	**314,009,537**	**(1,210,179)**	**312,799,358**

11. Share options

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

On 18 April 2005, the shareholders General Meeting approved the issue of 1,525,000 options on the Bank's shares to the Group's executive directors, management and staff employed by the Group on 31 December 2004. Provided that the holders are still employed by the Group, the options can be exercised in December of 2007, 2008, 2009 and 2010 at € 18 per share.

12. Preferred securities

On 18 March 2005, EFG Hellas Funding Limited, a subsidiary of the Group, issued preferred securities which represent Lower Tier 1 capital for the Group. The preferred securities have no fixed redemption date and give the issuer the right to call the issue at par on 18 March 2010 and annually thereafter. All obligations of the issuer in respect of the preferred securities are guaranteed on a subordinated basis by the Bank. The securities pay fixed non-cumulative annual dividend of 6.75 per cent. for the first two years and non-cumulative annual dividends that are determined based on the ten year EURO swap rate plus a spread of 0.125 per cent. capped at 8 per cent. thereafter. The preferred dividends may be declared by the directors of the issuer in their sole discretion and paid out of funds legally available to the issuer. The preferred dividend must be declared and paid if the Bank, the issuer or any other Group subsidiary pays a dividend. The preferred securities are listed on the Luxembourg and Frankfurt Stock Exchanges.

13. Contingent liabilities and capital expenditure commitments

As at 30 June 2005 the Group's contingent liabilities in terms of guarantees and irrevocable letters of credit amounted to € 1,519 million (31 December 2004: € 1,993 million) and the Group's capital commitments in terms of property, plant and equipment amounted to € 8 million (31 December 2004: € 8 million).

14. 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 9 – Liabilities evidenced by paper

15. Acquisition of subsidiaries

Details of acquisitions of subsidiaries during the period from 1 January 2005 to 30 June 2005 are as follows:

	Fair value of net assets acquired € million	Consi-deration Goodwill € million	€ million
EFG Istanbul Holding AS and its subsidiary EFG Istanbul Menkul Degerler AS (Note 7)	8	26	18
Other acquisitions	5	7	2
Total	13	33	20

The other acquisitions consist of the following:

a) Acquisition of 100 per cent. of the share capital of Capital SA and its subsidiary Capital Securities SA (Note 7), and
b) Acquisition of 100 per cent. of the share capital of Attikis Kerdoos Ermis AEPEY (Note 7).

The above acquisitions have been accounted for by the purchase method of accounting. The acquired companies contributed a net loss of € 1 million to the Group during the period from the date of their acquisition to 30 June 2005. If the acquisitions had been completed on 1 January 2005, the acquired companies would have contributed revenue of € 2 million and net profit of € 1 million for the six months ended 30 June 2005.

16. 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, which owns 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 guarantees and derivatives. The volume of related party transactions and outstanding balances at the period/year-end are as follows:

	30 June 2005		
	EFG Group € million	Key management personnel € million	Other € million
Due from other banks	33	–	–
Trading securities	1	–	–
Available for sale investment securities	–	–	1
Loans and advances to customers	–	6	88
Other assets	1	–	1
Due to other banks	77	–	–
Due to customers and liabilities evidenced by paper	89	19	92
Other liabilities	2	–	–
Net interest income/(expense)	(4)	–	2
Net banking fee and commission income/(expense)	–	–	1
Operating expenses	(2)	–	–
Letters of guarantee issued	377	–	5
Letters of guarantee received	521	–	–

	31 December 2004		
	EFG Group € million	Key management personnel € million	Other € million
Trading securities	8	–	–
Available for sale investment securities	–	–	14
Loans and advances to customers	29	7	95
Due to other banks	29	–	–
Due to customers and liabilities by paper	421	8	51
Other liabilities	2	–	–
Net interest income/(expense) for the six months ended 30 June 2004	(1)	–	1
Net banking fee and commission income/(expense) for the six months ended 30 June 2004	–	–	1
Operating expenses for the six months ended 30 June 2004	(2)	–	–
Letters of guarantee issued	835	–	131
Letters of guarantee received	574	–	–

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

As at 31 December 2004, in relation to the letters of guarantee issued, the Group had received cash collateral € 355 million which is included in due to customers and liabilities evidenced by paper above. The letter of guarantee and collateral expired in May 2005.

No provisions have been recognised in respect of loans given to related parties (2004: Nil)

Based on agreements the Group provides the following services to associated undertakings:

(a) Dias AEEX – portfolio management, custodian and share registry services.

(b) The Greek Progress Fund SA – advisory services on investment analysis and management, custodian and share registry services.

Key management compensation (including directors)

During the six months ended 30 June 2005 the compensation of key management personnel was € 4 million (six months ended 30 June 2004: € 3 million).

17. Dividends

Final dividends are not accounted for until they have been ratified by the Annual General Meeting. The Meeting on 5 April 2005 approved a total dividend in respect of 2004 of € 0.72 per share amounting to a total of € 226 million. Out of this approved dividend an interim dividend of € 0.30 per share amounting to € 94 million has been paid in December 2004 in accordance with the decision of the Board of Directors of 22 October 2004. The remaining dividend of € 0.42 per share amounting to € 132 million was paid in April 2005. The interim dividend of € 0.30 per share has been accounted for in shareholders equity as an appropriation of retained earnings during the period from 1 October 2004 to 31 December 2004. The final dividend of € 0.42 per share has been accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2005 to 30 June 2005.

The Meeting of 5 April 2004 had approved a dividend in respect of 2003 of € 0.60 per share amounting to a total dividend of € 185 million. This dividend was paid in April 2004 and has been accounted for in shareholders' equity as an appropriation of retained earnings during the period from 1 April 2004 to 30 June 2004.

Review report of the auditors on page 2.

NON-CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS AT, AND FOR THE PERIOD ENDED, 30TH SEPTEMBER, 2005

The Directors
EFG Hellas Funding Limited
Whiteley Chambers
Don Street
St. Helier
Jersey JE4 9WG
Channel Islands

24 October 2005

Dear Sirs

EFG Hellas Funding Limited

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the Prospectus dated 24 October 2005 (the "Prospectus") of EFG Hellas Funding Limited (the "Company") and EFG Eurobank Ergasias S.A. on the basis of the accounting policies set out in paragraph 2 of the Notes to the financial information. This report is required by item 13.1 of annex IV of Commission Regulation (EC) No 809/2004 (the "Prospectus Regulation") and is given for the purpose of complying with that rule and for no other purpose.

The Company was incorporated on 4 March 2005. The Company has not yet commenced to trade, has prepared no statutory financial statements for presentation to its members and has not declared or paid a dividend.

Responsibility

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union and as detailed in paragraph 2 of the Notes to the financial information.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view for the purposes of the Prospectus and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements and whether the accounting polices are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus dated 24 October 2005 a true and fair view of the state of affairs of the Company as at 30 September 2005 and of its results and cash flows for the period then ended in accordance with IFRS.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex IV of the Prospectus Regulation.

Yours faithfully

PricewaterhouseCoopers

EFG Hellas Funding Limited

Profit and Loss Account for the period from 04 March 2005 to 30 September 2005

	Notes	Period from 04 March 2005 to 30 September 2005 €'000
Interest income and similar income		7,351
Interest expense and similar expenses		(7,340)
Result before taxation		11
Taxation on result	8	–
Net result after taxation		**11**

EFG Hellas Funding Limited

Balance Sheet

	Notes	30 September 2005 €'000
Non-current assets		
Held-to-maturity investments, net	3	204,368
Current Assets		
Cash at banks and short-term deposits		10
Total Assets		**204,378**
Non-current liabilities		
Preferred Securities	4	204,357
Shareholder's equity	7	
Ordinary shares	5	10
Retained earnings	6	11
Total equity		**21**
Total equity and liabilities		**204,378**

Cash Flow Statement for the period from 04 March 2005 to 30 September 2005

	Period from 04 March 2005 to 30 September 2005 €'000
Cash flows from operating activities	–
Cash flows from investing activities	
Purchase of held-to-maturity investments	(197,071)
Cash flows from financing activities	
Proceeds from issue of ordinary share capital	10
Proceeds from issuance of Preferred Securities	197,071
	197,081
Net increase in cash and cash equivalents	10
Cash and cash equivalents at 04 March 2005	–
Cash and cash equivalents at 30 September 2005	**10**

Notes to the Financial Information

1 General information

(a) General information

The Company is a company limited by shares, incorporated and domiciled in Jersey, Channel Islands. The registered office of the Company is:

Whiteley Chambers
Don Street
St. Helier
Jersey JE4 9WG
Channel Islands

The principal activity of the Company is to provide funding to EFG Eurobank Ergasias S.A. (the "Bank"). The Company became a wholly-owned subsidiary of the Bank on 04 March 2005.

2 Accounting policies

(a) Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") issued by the International Accounting Standards Board. This financial information does not constitute statutory financial statements.

This financial information has been prepared under the historical cost convention.

The preparation of financial information in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

(c) Share capital

Ordinary shares are classified as equity.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, and deposits held at call with banks.

3 Held-to-maturity investments

	2005 €'000
EFG Hellas Plc Listed Bond, Net of Discount	197,071
Accrued income on EFG Hellas Listed Bond	7,297
Total	**204,368**

The above investment is secured by a subordinated guarantee issued by the Bank and is repayable on 18 March 2035.

4 Preferred securities

On 16 March 2005, the Company issued 200,000 Series A CMS-Linked Non-cumulative Guaranteed Non-voting Preferred Securities with a par value of €1,000 per security.

The Preferred Securities are perpetual securities and have no fixed redemption date. However, the Preferred Securities may be redeemed, at the option of the Company, in whole, if certain conditions mentioned in the offering circular are met.

5 Called up share capital

The Company's authorised share capital comprises 10,000 shares of €1 each, amounting to a nominal value of €10,000.

	2005 €'000
Fully paid ordinary shares of €1 each allotted on 4 March 2005	10
Total allotted and fully paid ordinary shares of € 1 each	**10**

6 Retained earnings

	2005 €'000
Net profit for the period	11
At 30 September 2005	**11**

7 Shareholder's equity

	2005 €'000
New shares issued	10
Net profit for the period	11
At 30 September 2005	**21**

8 Taxation

The Company has been granted exempt status for Jersey taxation purposes and therefore only suffers an annual exempt company fee of £600.

THE ISSUER

EFG Hellas Funding Limited
Whiteley Chambers
Don Street
St. Helier
Jersey JE4 9WG
Channel Islands

THE BANK

EFG Eurobank Ergasias S.A.
8 Othonos Street
Athens 10557
Greece

PRINCIPAL PAYING AND TRANSFER AGENT AND REGISTRAR

Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10-14
60272 Frankfurt am Main
German

PAYING AND TRANSFER AGENTS

ABN AMRO Bank N.V.
Kemelstede 2
4817 ST Breda
The Netherlands

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg

LEGAL ADVISERS

To the Issuer and the Bank as to Greek law

Theodora Zervou
EFG Eurobank Ergasias S.A.
8 Othonos Street
Athens 10557
Greece

To the Issuer and the Bank as to Jersey law

Ogier & Le Masurier
Whiteley Chambers
Don Street
St. Helier
Jersey JE4 9WG
Channel Islands

To the Managers as to English law

Allen & Overy LLP
One New Change
London EC4M 9QQ
United Kingdom

To the Managers as to Greek law

M. & P. Bernitsas Law Offices
5 Lykavittou Street
Athens 106 72
Greece

AUDITORS

To the Issuer

PricewaterhouseCoopers CI LLP
Twenty Two Colomberie
St. Helier
Jersey JE1 4XA
Channel Islands

To the Bank

PricewaterhouseCoopers S.A.
268 Kifissias Avenue
152 32 Halandri
Greece

AMSTERDAM LISTING AGENT

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

FRANKFURT LISTING AGENT

BNP Paribas Securities Services
Grüneburgweg 14
D-60322
Frankfurt am Main
Germany

printed by **eprint*financial*.com**
tel: + 44 (0) 20 7613 1800   document number 3325