

**“THE ETHNIKI”  
HELLENIC GENERAL INSURANCE COMPANY S.A.**

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**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2006  
ON A COMPANY AND CONSOLIDATED BASIS**

AUGUST 2006  
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**Note:** These financial statements are a translation. In case of any differences, the Greek version shall prevail.

The Group's and Parent Company's Financial Statements have been prepared in conformity with International Accounting Standards and International Financial Reporting Standards and have been published in the company's website [www.ethniki-asfalistiki.gr](http://www.ethniki-asfalistiki.gr)

Income Statement					
	Note	Group			
		01/01/2006	01/01/2005	01/04/2006	01/04/2005
		30/06/2006	30/06/2005	30/06/2006	30/06/2005
(in thousand €)					
Gross written premiums and related revenue	4	366.692	311.093	189.499	150.025
Minus:Ceded premiums		(38.369)	(36.167)	(11.680)	(19.513)
Net of reinsurance written premiums and related revenue		328.323	274.926	177.819	130.512
Change in Unearned Premium Reserve		(366)	(8.238)	(4.724)	(4.425)
Net written premiums and related revenue		327.957	266.688	173.095	126.087
Investment Income		19.104	18.590	9.206	6.902
Net realized gains/(losses) from sale/maturity of financial assets		7.822	22.974	736	7.569
Net fair value gains/(losses) of financial assets		(3.152)	8.631	(10.910)	10.578
Share of profit of associated companies		22	127	(155)	127
Other income/(expense)		2.917	2.461	1.745	(5.199)
		354.670	319.471	173.717	146.064
Benefits and claims paid		(150.339)	(152.327)	(77.296)	(78.933)
Commission expenses		(37.027)	(33.662)	(19.208)	(21.679)
Change in insurance reserves		(79.308)	(44.877)	(36.690)	(11.867)
Selling and distribution expenses	18	(59.945)	(49.146)	(35.653)	(28.326)
Administrative expenses		(20.774)	(19.941)	(10.143)	(4.179)
Other income/(expense)		(2.422)	(3.824)	(571)	2.103
Profit before tax and minority interests		4.855	15.694	(5.844)	3.183
Income tax expense	6	(538)	(4.876)	1.419	(2.111)
Net profit/(loss) for the year		4.317	10.818	(4.425)	1.072
Attributed to the parent company		4.311	10.897	(4.553)	979
Minority interests		6	(79)	128	93
Basic earnings per share (In €s)	7	0	0	(0,04)	0,02
Earnings per share attributable to the parent company (In €s)	7	0	0	(0,04)	0,01

The notes in pages 8 to 24 are considered to be an integral part of the Financial Statements.

Income Statement					
		Parent Company			
		01/01/2006	01/01/2005	01/04/2006	01/04/2005
	Note	30/06/2006	30/06/2005	30/06/2006	30/06/2005
		(in thousand €)			
Gross written premiums and related revenue	4	351.582	302.110	182.246	145.267
Minus:Ceded premiums		(32.464)	(32.640)	(10.209)	(17.635)
Net of reinsurance written premiums and related revenue		319.118	269.470	172.037	127.632
Change in Unearned Premium Reserve		5.830	(7.837)	623	(4.255)
Net written premiums and related revenue		324.948	261.633	172.660	123.377
Investment Income		18.568	18.084	8.955	6.645
Net realized gains/(losses) from sale/maturity of financial assets		7.526	22.726	460	7.451
Net fair value gains/(losses) of financial assets		(3.898)	8.452	(10.639)	10.559
Other income/(expense)		883	1.079	319	(5.836)
		348.027	311.974	171.755	142.196
Benefits and claims paid		(146.845)	(149.315)	(75.709)	(77.691)
Commission expenses		(35.903)	(32.590)	(17.925)	(21.171)
Change in insurance reserves		(83.242)	(44.758)	(40.728)	(11.801)
Selling and distribution expenses	18	(56.423)	(47.121)	(33.532)	(27.188)
Administrative expenses		(20.296)	(19.476)	(9.989)	(4.076)
Other income/(expense)		(1.565)	(3.110)	(504)	1.983
Profit/(Loss) before tax and minority interests		3.753	15.604	(6.632)	2.252
Income tax expense	6	(400)	(4.758)	1.606	(2.021)
Net profit for the year		3.353	10.846	(5.026)	231
Attributed to the parent company		3.353	10.846	(5.026)	231
Basic earnings per share (In €s)	7	0,03	0,13	(0,03)	0,01
Earnings per share attributable to the parent company (In €s)	7	0,03	0,13	(0,03)	0,01

The notes in pages 8 to 24 are considered to be an integral part of the Financial Statements.

Balance Sheet					
	Note	Group		Parent Company	
		30/6/2006	31/12/2005	30/6/2006	31/12/2005
		(in thousand €)			
<b>ASSETS</b>					
Investment properties	8	108.950	110.310	107.088	108.412
Available for sale financial assets	9	668.977	508.955	665.077	507.172
Financial assets at fair value through income statement	10	149.798	163.789	147.026	160.047
Investments in associated companies	11	1.785	1.895	16.323	12.323
Investments for the benefit of life insurance policyholders who bear the investment risk (UNIT LINKED)	12	345.460	320.396	333.734	309.463
		<b>1.274.970</b>	<b>1.105.345</b>	<b>1.269.248</b>	<b>1.097.417</b>
Property, plant and equipment	13	165.325	164.251	162.454	161.557
Intangible Assets	14	5.705	5.708	2.867	3.544
Deferred tax assets	15	58.244	55.570	58.241	55.570
Premium receivables		210.626	196.592	189.876	184.669
Reinsurers' receivables		89.791	78.821	70.049	66.620
Receivables from reinsurance activities		1.388	1.314	2.606	1.314
Deferred acquisition costs		56.501	55.113	55.390	54.081
Other receivables		49.134	48.507	47.122	47.999
Loans to employees, insurers and to life insured clients		23.085	22.152	23.085	22.152
Cash and cash equivalents		177.178	304.625	151.031	287.038
		<b>836.977</b>	<b>932.653</b>	<b>762.721</b>	<b>884.544</b>
<b>Total assets</b>		<b>2.111.947</b>	<b>2.037.998</b>	<b>2.031.969</b>	<b>1.981.961</b>
<b>LIABILITIES</b>					
<b>Mathematical Reserves &amp; Technical Provisions</b>					
Life actuarial technical reserves	16	724.962	688.668	721.547	685.463
Life & Non-life outstanding losses	16	390.294	373.517	380.692	365.824
Unearned premium reserves	16	154.784	146.800	132.170	132.183
Life Insurance mathematical provisions where the policyholders bear the investment risk (UNIT LINKED)	16	345.460	320.396	333.734	309.463
Other insurance reserves	16	7.767	7.747	7.038	7.038
		<b>1.623.267</b>	<b>1.537.128</b>	<b>1.575.181</b>	<b>1.499.971</b>
<b>Liabilities</b>					
Liabilities due to agents, brokers and other sales network		31.839	39.390	31.552	30.641
Liabilities due to reinsurers		32.614	16.772	13.445	14.488
Liabilities due to reinsurance operations		517	976	994	976
Other liabilities	17	199.136	195.919	192.244	192.463
Liabilities towards personnel	18	79.473	75.091	79.330	74.966
Deferred tax liability	15	3.383	2.598	3.376	2.598
		<b>346.962</b>	<b>330.746</b>	<b>320.941</b>	<b>316.132</b>
<b>Total liabilities and provisions</b>		<b>1.970.229</b>	<b>1.867.874</b>	<b>1.896.122</b>	<b>1.816.103</b>
Share capital	19	322.767	322.767	322.767	322.767
Differences from issue of shares above par		38.732	38.732	38.732	38.732
Retained earnings		(245.302)	(250.227)	(247.298)	(250.651)
Reserves		23.957	57.333	21.646	55.010
		<b>140.154</b>	<b>168.605</b>	<b>135.847</b>	<b>165.858</b>
<b>Minority rights</b>		<b>1.564</b>	<b>1.519</b>	<b>0</b>	<b>0</b>
<b>Total equity capital</b>		<b>141.718</b>	<b>170.124</b>	<b>135.847</b>	<b>165.858</b>
<b>Total Liabilities</b>		<b>2.111.947</b>	<b>2.037.998</b>	<b>2.031.969</b>	<b>1.981.961</b>

The notes in pages 8 to 24 are considered to be an integral part of the Financial Statements.

Statement of Changes in Equity						
Group						
	Share Capital	Share Premium	Reserves	Retained earnings (losses)	Minority Rights	Total Equity
	(in thousand €)					
<b>Balance as at 01/01/2005</b>	<b>215.178</b>	<b>17.214</b>	<b>72.191</b>	<b>(272.845)</b>	<b>1.133</b>	<b>32.871</b>
Profit for the year	0	0	0	10.818	0	10.818
Net fair value gains on available for sale financial assets	0	0	(5.126)	0	0	(5.126)
Share Capital Increase	107.589	21.518	0	0	0	129.107
Share capital increase expenses	0	0	0	(1.201)	0	(1.201)
Other	0	0	17	(250)	136	(97)
<b>Balance as at 30/06/2005</b>	<b>322.767</b>	<b>38.732</b>	<b>67.082</b>	<b>(263.478)</b>	<b>1.269</b>	<b>166.372</b>
Profit for the year	0	0	0	14.185	152	14.337
Net fair value gains on available for sale financial assets	0	0	(10.023)	0	0	(10.023)
Share capital increase expenses	0	0	0	(1.338)	0	(1.338)
Other	0	0	274	404	98	776
<b>Balance as at 31/12/2005</b>	<b>322.767</b>	<b>38.732</b>	<b>57.333</b>	<b>(250.227)</b>	<b>1.519</b>	<b>170.124</b>
Profit for the year	0	0	0	4.311	6	4.317
Net fair value gains on available for sale financial assets	0	0	(33.364)	0	0	(33.364)
Other	0	0	(12)	614	39	641
<b>Balance as at 30/06/2006</b>	<b>322.767</b>	<b>38.732</b>	<b>23.957</b>	<b>(245.302)</b>	<b>1.564</b>	<b>141.718</b>

Parent Company					
	Share Capital	Share Premium	Reserves	Retained earnings (losses)	Total Equity
	(in thousand €)				
<b>Balance as at 01/01/2005</b>	<b>215.178</b>	<b>17.214</b>	<b>70.159</b>	<b>(272.718)</b>	<b>29.833</b>
Profit for the year	0	0	0	10.846	10.846
Net fair value gains on available for sale financial assets	0	0	(5.126)	0	(5.126)
Share Capital Increase	107.589	21.518	0	0	129.107
Share capital increase expenses	0	0	0	(1.201)	(1.201)
<b>Balance as at 30/06/2005</b>	<b>322.767</b>	<b>38.732</b>	<b>65.033</b>	<b>(263.073)</b>	<b>163.459</b>
Profit for the year	0	0	0	12.559	12.559
Net fair value gains on available for sale financial assets	0	0	(10.023)	0	(10.023)
Share capital increase expenses	0	0	0	(137)	(137)
<b>Balance as at 31/12/2005</b>	<b>322.767</b>	<b>38.732</b>	<b>55.010</b>	<b>(250.651)</b>	<b>165.858</b>
Profit for the year	0	0	0	3.353	3.353
Net fair value gains on available for sale financial assets	0	0	(33.364)	0	(33.364)
<b>Balance as at 30/06/2006</b>	<b>322.767</b>	<b>38.732</b>	<b>21.646</b>	<b>(247.298)</b>	<b>135.847</b>

The notes in pages 8 to 24 are considered to be an integral part of the Financial Statements.

<b>Cash Flow Statement</b>				
	<b>Group</b>		<b>Parent Company</b>	
	<b>01/01/2006</b>	<b>01/01/2005</b>	<b>01/01/2006</b>	<b>01/01/2005</b>
	<b>30/06/2006</b>	<b>30/06/2005</b>	<b>30/06/2006</b>	<b>30/06/2005</b>
	<b>(in thousand €)</b>		<b>(in thousand €)</b>	
Profit after tax	4.317	10.818	3.353	10.846
Depreciation and amortisation costs	4.896	4.433	4.686	4.318
Increase/(Decrease) in insurance reserves	86.139	(87.681)	75.210	(90.155)
Profits/(Losses) from valuation and sale of financial assets	(23.774)	(50.195)	(22.196)	(49.262)
<b>Cash flows from operating activities before changes in operational assets</b>	<b>71.578</b>	<b>(122.625)</b>	<b>61.053</b>	<b>(124.253)</b>
<b>Changes in operating activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(Increase)/ Decrease of receivables	(30.815)	(24.920)	(14.079)	(22.948)
Increase / (Decrease) of liabilities	16.331	142.318	4.924	143.576
<b>Net cash inflow from operating activities</b>	<b>57.094</b>	<b>(5.227)</b>	<b>51.898</b>	<b>(3.625)</b>
<b>Cash flows from investing activities</b>				
Purchase of tangible and intangible fixed assets	(5.353)	(14.132)	(4.416)	(13.953)
Sale of tangible and intangible fixed assets	1.047	0	1.045	0
Purchase of financial assets available for sale	(390.403)	(797.149)	(390.463)	(795.331)
Sale of financial assets available for trade	217.094	1.048.304	213.501	1.045.538
Purchase of financial assets for UNIT LINKED products	(26.030)	(26.516)	(26.140)	(26.006)
Investment income	19.104	3.126	18.568	3.126
<b>Net cashflows from investing activities</b>	<b>(184.541)</b>	<b>213.633</b>	<b>(187.905)</b>	<b>213.374</b>
<b>Changes in financial activities</b>				
Share capital increase expenses	0	(1.201)	0	(1.201)
Others	0	(510)	0	0
<b>Net cashflows from financial activities</b>	<b>0</b>	<b>(1.711)</b>	<b>0</b>	<b>(1.201)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(127.447)</b>	<b>206.695</b>	<b>(136.007)</b>	<b>208.548</b>
<b>Cash and cash equivalents at the beginning of the period / year</b>	<b>304.625</b>	<b>115.986</b>	<b>287.038</b>	<b>99.474</b>
<b>Cash and cash equivalents at the end of the period / year</b>	<b>177.178</b>	<b>322.681</b>	<b>151.031</b>	<b>308.022</b>

The notes in pages 8 to 24 are considered to be an integral part of the Financial Statements.

## 1. General Information

The Group of Ethniki Insurance (hereinafter the Group) operates mainly in the insurance sector, providing a wide range of insurance services to corporations and individuals. The Group operates mainly in Greece, with subsidiaries in Greece, Romania and Cyprus.

The Group's Parent company is "The ETHNIKI Hellenic General Insurance Company Société Anonyme" (hereinafter Ethniki or the Parent Company), incorporated in Greece since 1891. It is a subsidiary of The National Bank of Greece and it is listed on the Athens Stock Exchange since 1946. National Bank of Greece (NBG) has 76.68% participation in the parent company. Consequently, the present Financial Statements are presented in the NBG's consolidated statements with the method of full consolidation. The Parent Company is registered in the Municipality of Athens and its Headquarters are located at Syngrou Avenue 103-105, 11745, Athens, with Code Number of S.A. 12840/05/B/86/20. According to its Articles of Association the main business of the Parent Company is to be engaged in activities, both domestic and abroad, which relate to insurance, reinsurance and general financial services as stipulated by the Greek and European Legislation.

The Company's Board of Directors is as follows:

Doucas - Pavlos I. Paleologos	President and Managing Director
	Executive member
Alexandros G. Tourkolias	Vice-president
	Non executive member
Spyridon T. Leftheriotis	Executive Member
Anastasios A. Pagonis	Executive Member
Alexandros P. Georgitsis	Non executive member
Ioannis Ch. Kollias	Non executive member
Avraam E. Moissis	Non executive member
Vassilios V. Panagiotopoulos	Non executive member
Stefanos G. Pantzopoulos	Non executive member
Ioannis N. Politis	Non executive member
Anthimos K. Thomopoulos	Non executive member
Vassilios S. Furlis	Independent non executive member
Konstantinos Ch. Lampropoulos	Independent non executive member

The condensed interim Financial Statements were approved for dissemination by the Parent Company's Board of Directors on 29 August 2006.

## **2. Summary of significant accounting policies**

### **2.1 Basis of presentation-Statement of compliance**

The condensed consolidated interim Financial Statements of the Group (the “interim Financial Statements”) have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards (collectively, IFRS) whereas International Accounting Standard 34 “Interim Financial Reporting” has been applied for the preparation of these Group’s Financial Statements as at and for the period ended 30 August 2006. The Financial Statements include Selected Explanatory Notes and they do not include all the information required for full annual financial statements. Therefore, the Financial Statements should be read in conjunction with the consolidated annual Financial Statements as at and for the year ended 31 December 2005. The amounts are stated in Euro, rounded to the nearest thousand, unless otherwise stated.

The preparation of Financial Statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Use of available information and application of judgment are inherent in the formation of estimates in the following areas: valuation of OTC derivatives, unlisted securities, retirement benefits obligation, insurance reserves, impairment of loans and receivables, open tax years and litigation. Actual results in the future could differ from such estimates and the differences may be material to the Financial Statements.

In preparing these interim Financial Statements, the significant estimates, judgements and assumptions made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual Financial Statements as at and for the year ended 31 December 2005.

### **2.2 Adoption of International Financial Reporting Standards (IFRS) effective from 1 January 2006**

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2005.

The new standards, amendments and interpretations to existing standards that are mandatory for the Group’s accounting periods beginning on 1 January 2006 are as follows:

- IAS 19 (Amendment), “Employee Benefits” (effective from 1 January 2006).

This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. The Group does not intend to change the accounting policy adopted for recognition of actuarial gains and losses and does not currently participate in any multi-employer plans.

- IAS 39 (Amendment), “Cash Flow Hedge Accounting of Forecast Intragroup Transactions” (effective from 1 January 2006). The amendment allows the foreign currency risk of a highly probable forecast intragroup transaction to qualify as a hedged item in the consolidated financial statements, provided that: (a) the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction; and (b) the foreign currency risk will affect consolidated profit or loss. This amendment has not had a significant impact on the Group’s financial position, as the Group does not have any intragroup transactions that would qualify as a hedged item in the consolidated financial statements as of 30 June 2006 and 31 December 2005.

- IAS 39 and IFRS 4 (Amendment), “Financial Guarantee Contracts” (effective from 1 January 2006). This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value and subsequently measured at the higher of: (a) the unamortised balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date. This amendment did not have a significant impact on the Group’s financial position.

- IFRIC 4, “Determining whether an Arrangement contains a Lease” (effective from 1 January 2006). IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Management assessed the impact of IFRIC 4 and this amendment had a limited impact to the format and extent of disclosures presented in the accounts on the Group’s operations.

- IAS 21 (Amendment), “Net investment in a foreign operation” (effective from 1 January 2006). This amendment requires that when a monetary item forms part of a reporting entity’s net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the individual financial statements of both companies are reclassified to equity upon consolidation. This amendment has not have a significant impact on the parent company’s accounts.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted:

- IFRS 7, “Financial Instruments: Disclosures”, and a complementary amendment to IAS 1, “Presentation of Financial Statements – Capital Disclosures” (effective from 1 January 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, “Disclosures in the Financial Statements of Banks and Similar Financial Institutions”, and disclosure requirements in IAS 32, “Financial Instruments: Disclosure and Presentation”. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces

disclosures about the level of an entity's capital and how it manages capital. The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Group intends to apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007.

- IFRIC 9, 'Reassessment of Embedded Derivatives', effective for annual periods beginning on or after 1 June 2006. Management is currently evaluating the impact of the new IFRIC; and
- IFRIC 10, Interim Financial Reporting and Impairment, effective for annual periods beginning on or after 1 November 2006. The Group will apply the new IFRIC from 2007.

### 3. Segmental Reporting

The Group is organized in the following two business segments:

- **Life Insurance:** Mainly includes endowment, term life, whole life, permanent total disability and other accident insurance and health insurance as well as Unit Linked.
- **Non-Life Insurance:** Mainly includes health and accident insurance, marine, fire and allied perils, aviation and marine hull, cargo insurance, general third party liability, credit business, guarantees, road assistance, legal protection and theft insurance.

Business Segment Information - Income Statement					
Group					
	Note	01/01/2006 30/06/2006	01/01/2005 30/06/2005	01/04/2006 30/06/2006	01/04/2005 30/06/2005
(in thousand €)					

#### LIFE INSURANCE

Net earned premiums and associated income		173.966	119.457	99.389	57.032
Income, Profit and ( Loss) from sale or net fair value of financial assets		10.376	29.841	(6.156)	17.673
Benefits and claims paid		(69.937)	(78.657)	(35.439)	(39.937)
Earned commissions		(18.723)	(13.906)	(10.097)	(11.645)
Change in other insurance provisions		(59.548)	(26.593)	(24.866)	(5.848)
<b>Profit</b>		<b>36.134</b>	<b>30.142</b>	<b>22.831</b>	<b>17.275</b>
Investments in affiliated companies and associates		15	57	15	57
Other income/(expense)		615	1.107	(202)	(4.172)
Administrative, selling - distribution and other expenses	18	(35.662)	(32.812)	(20.461)	(13.711)
<b>Profit/(Loss) before Tax</b>		<b>1.102</b>	<b>(1.506)</b>	<b>2.183</b>	<b>(551)</b>

#### LIFE INSURANCE

Net earned premiums and associated income		153.991	147.231	73.706	69.055
Income, Profit and ( Loss) from sale or net fair value of financial assets		13.398	20.354	5.188	7.376
Benefits and claims paid		(80.402)	(73.670)	(41.857)	(38.996)
Earned commissions		(18.304)	(19.756)	(9.111)	(10.034)
Change in other insurance provisions		(19.760)	(18.284)	(11.824)	(6.019)
<b>Profit</b>		<b>48.923</b>	<b>55.875</b>	<b>16.102</b>	<b>21.382</b>
Investments in affiliated companies and associates		7	70	(170)	70
Other income/(expense)		2.302	1.354	1.947	(1.027)
Administrative, selling - distribution and other expenses	18	(47.479)	(40.099)	(25.906)	(16.691)
<b>Profit/(Loss) before Tax</b>		<b>3.753</b>	<b>17.200</b>	<b>(8.027)</b>	<b>3.734</b>
<b>Total</b>		<b>4.855</b>	<b>15.694</b>	<b>(5.844)</b>	<b>3.183</b>

Business Segment Information - Income Statement					
Parent Company					
	Note	01/01/2006	01/01/2005	01/04/2006	01/04/2005
		30/06/2006	30/06/2005	30/06/2006	30/06/2005
(in thousand €)					
<b>LIFE INSURANCE</b>					
Net earned premiums and associated income		172.690	118.174	98.518	56.767
Income,Profit and (Loss) from sale or net fair value of financial assets		9.297	29.344	(6.314)	17.532
Benefits and claims paid		(68.925)	(77.788)	(34.964)	(39.642)
Earned commissions		(18.187)	(13.576)	(9.223)	(11.486)
Change in other insurance provisions		(59.638)	(26.626)	(24.948)	(6.168)
<b>Profit</b>		<b>35.237</b>	<b>29.528</b>	<b>23.069</b>	<b>17.003</b>
Other income/(expense)		615	486	222	(4.318)
Administrative, selling - distribution and other expenses	18	(33.476)	(31.368)	(19.406)	(13.276)
<b>Profit/(Loss) before Tax</b>		<b>2.376</b>	<b>(1.354)</b>	<b>3.885</b>	<b>(591)</b>
<b>LIFE INSURANCE</b>					
Net earned premiums and associated income		152.258	143.459	74.142	66.610
Income,Profit and (Loss) from sale or net fair value of financial assets		12.899	19.918	5.090	7.123
Benefits and claims paid		(77.920)	(71.527)	(40.745)	(38.049)
Earned commissions		(17.716)	(19.014)	(8.702)	(9.685)
Change in other insurance provisions		(23.604)	(18.132)	(15.780)	(5.633)
<b>Profit</b>		<b>45.917</b>	<b>54.704</b>	<b>14.005</b>	<b>20.366</b>
Other income/(expense)		268	593	97	(1.518)
Administrative, selling - distribution and other expenses	18	(44.808)	(38.339)	(24.619)	(16.005)
<b>Profit/(Loss) before Tax</b>		<b>1.377</b>	<b>16.958</b>	<b>(10.517)</b>	<b>2.843</b>
<b>Total</b>		<b>3.753</b>	<b>15.604</b>	<b>(6.632)</b>	<b>2.252</b>

**4. GROSS WRITTEN PREMIUMS AND RELATED REVENUES**

	Group			
	01/01/2006	01/01/2005	01/04/2006	01/04/2005
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
	(in thousand €)			
Premiums from direct business	175.514	122.129	99.914	58.660
Premiums from reinsurance operations	149	217	59	132
<b>Premiums from Life business</b>	<b>175.663</b>	<b>122.346</b>	<b>99.973</b>	<b>58.792</b>
Premiums from direct business	183.648	186.128	86.688	89.661
Premiums from reinsurance operations	7.381	2.619	2.838	1.572
<b>Premiums from Non-Life business</b>	<b>191.029</b>	<b>188.747</b>	<b>89.526</b>	<b>91.233</b>
<b>Total</b>	<b>366.692</b>	<b>311.093</b>	<b>189.499</b>	<b>150.025</b>

	Parent Company			
	01/01/2006	01/01/2005	01/04/2006	01/04/2005
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
	(in thousand €)			
Premiums from direct business	172.690	119.771	98.482	57.616
Premiums from reinsurance operations	149	217	59	132
<b>Premiums from Life business</b>	<b>172.839</b>	<b>119.988</b>	<b>98.541</b>	<b>57.748</b>
Premiums from direct business	171.394	179.531	80.876	85.956
Premiums from reinsurance operations	7.349	2.591	2.829	1.563
<b>Premiums from Non-Life business</b>	<b>178.743</b>	<b>182.122</b>	<b>83.705</b>	<b>87.519</b>
<b>Total</b>	<b>351.582</b>	<b>302.110</b>	<b>182.246</b>	<b>145.267</b>

**5. PAYROLL AND STAFF EXPENSES**

	Group			
	01/01/2006	01/01/2005	01/04/2006	01/04/2005
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
	(in thousand €)			
Salaries and wages	(26.935)	(25.077)	(13.696)	(15.915)
Social security contributions	(9.377)	(9.318)	(4.728)	(4.301)
Expenses for defined benefits	(15.289)	(7.137)	(12.994)	(1.311)
<b>Total payroll and staff expenses</b>	<b>(51.601)</b>	<b>(41.532)</b>	<b>(31.418)</b>	<b>(21.527)</b>

Average Staff number	1.409	1.360
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	Parent			
	01/01/2006	01/01/2005	01/04/2006	01/04/2005
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
	(in thousand €)			
Salaries and wages	(25.427)	(23.783)	(12.894)	(15.308)
Social security contributions	(9.225)	(9.064)	(4.652)	(4.103)
Expenses for defined benefits	(15.289)	(7.137)	(12.994)	(1.311)
<b>Total payroll and staff expenses</b>	<b>(49.941)</b>	<b>(39.984)</b>	<b>(30.540)</b>	<b>(20.722)</b>
Average Staff number	1.244	1.249		

The account “Expenses for defined benefits” amounting to € 15.289 thous. includes € 10.700 thous. as voluntary exit provision (i.e. Note 18).

## 6. INCOME TAX EXPENSE

	Group			
	01/01/2006	01/01/2005	01/04/2006	01/04/2005
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
	(in thousand €)			
Income Tax (Current Year)	(2.427)	(2.199)	(2.580)	(2.063)
Deferred Tax	1.889	(2.677)	3.999	(48)
<b>Total</b>	<b>(538)</b>	<b>(4.876)</b>	<b>1.419</b>	<b>(2.111)</b>

	Parent			
	01/01/2006	01/01/2005	01/04/2006	01/04/2005
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
	(in thousand €)			
Income Tax (Current Year)	(2.293)	(2.081)	(2.397)	(1.973)
Deferred Tax	1.893	(2.677)	4.003	(48)
<b>Total</b>	<b>(400)</b>	<b>(4.758)</b>	<b>1.606</b>	<b>(2.021)</b>

The Parent Company has been audited by tax authorities until fiscal year 2004. For the fiscal year 2005, the Company has submitted the 31835/3.5.2006 letter to Territorial Tax Audit Authority of Athens (DEK) Athens for the conduction of a tax audit. As regards its subsidiaries, “The Ethniki” Insurance S.A. has submitted a request to DEK Athens (No 2734/26.5.2005) for the tax auditing of its associated company EVROPI AEGA that has been audited until 2002 and AUDATEX Hellas S.A that has been audited until 1998. Moreover, it should be noted that Ethniki’s subsidiary SOCIETATE COMERCIALA GARANTA ASIGURARI S.A. located in Romania, has been tax audited until financial year 2002. Furthermore, the recently acquired company NBG ASIGURARI S.A., also located in Romania, has not been audited since its establishment, namely for the years 2001 to 2005.

With reference to the tax audit of Ethniki Life Insurance Cyprus Ltd, audited Financial Statements for all fiscal years, including 2004, have been already submitted to the Income Tax Bureau. For the fiscal year 2005, the audited Financial Statements will be submitted until 31 December 2006. The NATIONAL INSURANCE BROKERS S.A. has been audited until 31 December 2002.

The Parent Company considers that it has completely fulfilled its tax obligations and has precisely implemented all the provisions referred to tax regulation. The Group and the Parent Company consider that they have formed adequate provisions concerning additional taxes that might arise from future tax audits, on the basis of previous years tax audit results and prior interpretation of tax laws.

In case that the Parent Company distributes the tax free reserves to the shareholders, then they will be subjected to taxation to the tax rate that is in force on the date of distribution. In the case of retained earnings distribution, no tax will be imposed.

## 7. BASIC EARNINGS PER SHARE

	Group		Parent Company	
	01/01/2006	01/01/2005	01/01/2006	01/01/2005
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
	(in thousand €)			
Profits after taxes	4.317	10.818	3.353	10.846
Average number of shares issued during the financial year	129.106.800	86.071.200	129.106.800	86.071.200
Basic and diluted earnings per share (€)	0,03	0,13	0,03	0,13
Earnings proportional to the Parent Company	4.311	10.897	3.353	10.846
Earnings per share proportional to the Parent Company	0,03	0,13	0,03	0,13

SHAREHOLDERS OF THE COMPANY		
	NUMBER OF SHARES	%
NATIONAL BANK OF GREECE S.A.	98.999.042	76,68
DIETHNIKI MUTUAL FUNDS MANAGEMENT COMPANY (5)	2.800.072	2,17
M/F INSURANCE ORGANISATIONS - JOINT DOMESTIC	1.610.000	1,25
ALPHA MUTUAL FUNDS MANAGEMENT COMPANY (5)	1.380.239	1,07
"ETHNIKI INSURANCE" EMPLOYEE INSURANCE FUND	1.050.000	0,81
OTHER SHAREHOLDERS (7.588)	23.267.447	18,02
<b>Total</b>	<b>129.106.800</b>	<b>100,00</b>

## 8. INVESTMENT PROPERTIES

	Group			Parent Company		
	Land	Buildings	Total	Land	Buildings	Total
	(in thousand €)					
Acquisition cost	48.550	82.183	<b>130.733</b>	48.315	79.952	<b>128.267</b>
Accrued Depreciations	0	(20.423)	<b>(20.423)</b>	0	(19.855)	<b>(19.855)</b>
<b>Net book value 31/12/2005</b>	<b>48.550</b>	<b>61.760</b>	<b>110.310</b>	<b>48.315</b>	<b>60.097</b>	<b>108.412</b>
<b>Less:</b>	0	0	<b>0</b>	0	0	<b>0</b>
Depreciation charged for the year	0	(1.360)	<b>(1.360)</b>	0	(1.324)	<b>(1.324)</b>
<b>Net book value 30/06/2006</b>	<b>48.550</b>	<b>60.400</b>	<b>108.950</b>	<b>48.315</b>	<b>58.773</b>	<b>107.088</b>

For the period ended at 30 June 2006, rental income reached € 4.036 thous. (respectively € 3.125 thous. at the 30 June 2005).

The Parent Company in order to fulfil its obligation for insurance investment that derives from the insurance law has registered a prenotation of mortgage of € 252.998 thous. on its property. Parent Company's property present value reaches € 286.865 thous. (Notes 8 and 13). Apart from this prenotation of mortgage there is no other engagement or surety on the Parent Company's properties against other obligations.

Future rental revenues and expenses are analysed below:

	Up to 1 year	1 to 5 years	More than 5 years
	(in thousand €)		
Revenues	5.706	14.709	25.003
Expenses	1.629	7.199	5.528

## 9. SECURITIES AVAILABLE FOR SALE

	Group		Parent Company	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
	(in thousand €)			
Bonds	434.545	318.951	430.645	317.168
Shares	105.156	90.290	105.156	90.290
Mutual Funds	129.276	99.714	129.276	99.714
<b>Total</b>	<b>668.977</b>	<b>508.955</b>	<b>665.077</b>	<b>507.172</b>

**10. SECURITIES AVAILABLE FOR TRADE**

	<b>Group</b>		<b>Parent Company</b>	
	<b>30/6/2006</b>	<b>31/12/2005</b>	<b>30/6/2006</b>	<b>31/12/2005</b>
	<b>(in thousand €)</b>			
Bonds	127.407	149.280	125.995	147.818
Shares	21.793	13.917	21.031	12.229
Mutual Funds	598	592	0	0
<b>Total</b>	<b>149.798</b>	<b>163.789</b>	<b>147.026</b>	<b>160.047</b>

**11. INVESTMENTS IN ASSOCIATED COMPANIES**

Participation	Country of Incorporation	30/6/2006		31/12/2005	
		% Participation	Book Value	% Participation	Book Value
	(in thousand €)				
SOCIETATE COMERCIALA GARANTA ASIGURARI S.A.	ROMANIA	93,265%	3.936	93,265%	2.636
ETHNIKI ASFALISTIKI (CYPRUS) LTD	CYPRUS	89,089%	4.119	89,089%	4.119
AUDATEX HELLAS SA.	GREECE	70,000%	1.061	70,000%	1.061
EVROPI AEGA	GREECE	30,000%	2.057	30,000%	2.057
NATIONAL INSURANCE BROKERS SA	GREECE	95,000%	2.450	95,000%	2.450
NBG ASIGURARI S.A.	ROMANIA	99,988%	2.700	-	0
Total			16.323		12.323

None of the above affiliates is listed in any Stock Exchange. As a result there are no relevant stock market valuations and the fair value of these investments is not possible to be estimated. The consolidation of subsidiaries is attained according to IAS No.27 (Total Consolidation). The consolidation of the affiliated company EVROPI AEGA, was accomplished according to IAS No.28 (Net Assets Method). NBG Asigurari SA has been acquired on 15 February 2006 and therefore it has been consolidated in the present Financial Statements, for the first time. Actions have already been undertaken in order for S.C. GARANTA ASIGURARI S.A. to absorb NBG ASIGURARI S.A.

In 22 February 2006, the Company has signed an agreement with United Bulgarian Bank AD (U.B.B. AD), affiliate company of NBG in Bulgaria and with American International Group Inc (AIG), establishing a Life and a Non-Life insurance company. Ethniki Insurance and U.B.B. will each hold a 30% share of the companies' share capital. As regards the Life Company, the remaining 40% as well as the management will be held by American Life Insurance Company (ALICO), whereas in the case of the General Insurance & Reinsurance Company, the remaining 40% will be held by AIG Central Europe & CIS Insurance Holdings Corporation. The share capital has been set to €3.068 thous. (Leva 6.000.000) for the Life company and € 2.761 (Leva 5.400.000) for the Non-Life. All parties have paid their part of the share capital, while approvals by the respective Bulgarian Regulatory and Tax authorities are expected soon.

## 12. INVESTMENTS FOR THE BENEFIT OF LIFE INSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK (UNIT LINKED)

The analysis of the investments for the benefit of life insurance policyholders who bear the investment risk is presented below:

	Group		Parent Company	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
	(in thousand €)			
Mutual funds	292.226	255.924	291.863	255.598
Securities	16.766	35.314	14.904	33.485
Shares	15.885	1.900	14.032	0
Short-term investments	7.499	6.693	0	0
Cash and cash equivalents	12.935	20.380	12.935	20.380
Other investments	149	185	0	0
<b>Total</b>	<b>345.460</b>	<b>320.396</b>	<b>333.734</b>	<b>309.463</b>

## 13. PROPERTY, PLANT AND EQUIPMENT

	Group						
	Property	Buildings	Transportation	Equipment	Improvements in third party leases	Property under development	Total
	(in thousand €)						
Acquisition cost	63.278	84.306	1.787	29.492	2.441	29.783	211.087
Accumulated depreciation and impairment	0	(19.823)	(862)	(23.832)	(2.319)	0	(46.836)
<b>Net book value as at 31/12/2005</b>	<b>63.278</b>	<b>64.483</b>	<b>925</b>	<b>5.660</b>	<b>122</b>	<b>29.783</b>	<b>164.251</b>
<b>Plus:</b>							
Additions / Transfer	2.470	12.380	147	992	0	400	16.389
<b>Less:</b>							
Disposals / Transfer	(17)	(1.623)	(22)	(2)	0	(11.305)	(12.969)
Depreciation charge for the year	0	(1.230)	(150)	(1.109)	(57)	0	(2.546)
Others	(3)	166	22	15	0	0	200
<b>Net Value as at 30/06/2006</b>	<b>65.728</b>	<b>74.176</b>	<b>922</b>	<b>5.556</b>	<b>65</b>	<b>18.878</b>	<b>165.325</b>

Parent Company							
	Property	Buildings	Transportation	Equipment	Improvements in third party leases	Property under development	Total
	(in thousand €)						
Acquisition cost	63.250	82.112	1.503	27.994	2.441	29.783	207.083
Accumulated depreciation and impairment	0	(19.477)	(714)	(23.016)	(2.319)	0	(45.526)
<b>Net book value as at 31/12/2005</b>	<b>63.250</b>	<b>62.635</b>	<b>789</b>	<b>4.978</b>	<b>122</b>	<b>29.783</b>	<b>161.557</b>
<b>Plus:</b>							
Additions / Transfer	1.700	12.380	100	821	0	400	15.401
<b>Less:</b>							
Disposals / Transfer	(17)	(827)	(22)	0	0	(11.305)	(12.171)
Depreciation charge for the year	0	(1.215)	(92)	(969)	(57)	0	(2.333)
<b>Net Value as at 30/06/2006</b>	<b>64.933</b>	<b>72.973</b>	<b>775</b>	<b>4.830</b>	<b>65</b>	<b>18.878</b>	<b>162.454</b>

“Property” acquisition costs include € 6.250 thous. which relate to a Company’s property (Elliniko plot – 35<sup>th</sup> street) used by the School Building Association (O.S.K.) to build a school, after a decision issued by the Ministry of Finance and the Ministry of National Education and Religious Affairs. After a court decision the action of expropriation have been revoked and a compromising solution involving the exchange of the property with another of equal value, is being examined.

#### 14. INTANGIBLE ASSETS

The balance of the intangible assets account is related to the net book value of the Group and Parent company’s software programs and the surplus value of subsidiaries, whose movement is as follows:

	Group		Parent Company	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
	(in thousand €)			
Software	2.948	3.622	2.867	3.544
Affiliate companies surplus value	2.757	2.086	-	-
<b>Total</b>	<b>5.705</b>	<b>5.708</b>	<b>2.867</b>	<b>3.544</b>

The goodwill from the acquisition of NBG ASIGURARI S.A. was € 671 thous., being included in the Parent Company’s balance sheet, in the account “Investments in associated companies”. The acquiring company has the obligation to annually reassess the recoverable value of the goodwill in order to assess any impairment.

**15. DEFERRED TAX ASSETS/LIABILITIES**

	Group		Parent Company	
	31/3/2006	31/12/2005	30/6/2006	31/12/2005
	(in thousand €)			
Readjustment of intangible assets	136	154	133	154
Provisions for bad debts	1.752	2.338	1.752	2.338
Depreciation of sold real estate	140	115	140	115
Deferred tax losses	8.574	0	8.574	0
Retirement Benefits to personel	5.011	3.443	5.011	3.443
Insurance provisions	42.631	49.520	42.631	49.520
<b>Deferred tax assets</b>	<b>58.244</b>	<b>55.570</b>	<b>58.241</b>	<b>55.570</b>
Readjustment of depreciation of tangible assets	784	1.662	777	1.662
Readjustment of depreciation of investments in real estate	2.373	711	2.373	711
Other temporary differences	226	225	226	225
<b>Deferred tax liabilities</b>	<b>3.383</b>	<b>2.598</b>	<b>3.376</b>	<b>2.598</b>
<b>Total</b>	<b>54.861</b>	<b>52.972</b>	<b>54.865</b>	<b>52.972</b>

**16. MATHEMATICAL RESERVES AND TECHNICAL PROVISIONS**

Group						
	Group	Reinsurer	Total	Group	Reinsurer	Total
	30/6/2006			31/12/2005		
	(in thousand €)					
LIFE RESERVES						
Mathematical reserves	722.672	2.290	724.962	686.600	2068	688.668
Outstanding claims reserves	32.190	1.162	33.352	32.656	1287	33.943
Other mathematical reserves	7.147	152	7.299	7.043	20	7.063
Total reserves - Life	762.009	3.604	765.613	726.299	3.375	729.674
NON-LIFE INSURANCE RESERVES						
Unearned premium reserves	119.975	34809	154.784	124.113	22.687	146.800
Outstanding claims reserves	296.301	60.641	356.942	272.543	67.031	339.574
Other insurance provisions	468	0	468	684	0	684
Total reserves - Non-Life	416.744	95.450	512.194	397.340	89.718	487.058
Total	1.178.753	99.054	1.277.807	1.123.639	93.093	1.216.732
UNIT LINKED contract reserves						
	345460	0	345460	320396	0	320396
Grand Total	1.524.213	99.054	1.623.267	1.444.035	93.093	1.537.128

Parent						
	Group	Reinsurer	Total	Group	Reinsurer	Total
	30/6/2006			31/12/2005		
	(in thousand €)					
<b>LIFE RESERVES</b>						
Mathematical reserves	720.871	676	721.547	684.762	701	685.463
Outstanding claims reserves	31.882	525	32.407	32.311	538	32.849
Other mathematical reserves	7.038	0	7.038	7.038	0	7.038
<b>Total reserves - Life</b>	<b>759.791</b>	<b>1.201</b>	<b>760.992</b>	<b>724.111</b>	<b>1.239</b>	<b>725.350</b>
<b>NON-LIFE INSURANCE RESERVES</b>						
Unearned premium reserves	110.717	21.453	132.170	116.510	15.673	132.183
Outstanding claims reserves	292.104	56.181	348.285	268.994	63.981	332.975
<b>Total reserves - Non-Life</b>	<b>402.821</b>	<b>77.634</b>	<b>480.455</b>	<b>385.504</b>	<b>79.654</b>	<b>465.158</b>
<b>Total</b>	<b>1.162.612</b>	<b>78.835</b>	<b>1.241.447</b>	<b>1.109.615</b>	<b>80.893</b>	<b>1.190.508</b>
<b>UNIT LINKED contract reserves</b>	<b>333.734</b>	<b>0</b>	<b>333.734</b>	<b>309.463</b>	<b>0</b>	<b>309.463</b>
<b>Grand Total</b>	<b>1.496.346</b>	<b>78.835</b>	<b>1.575.181</b>	<b>1.419.078</b>	<b>80.893</b>	<b>1.499.971</b>

### Liabilities Adequacy Test

As of 1 January 2005, with the adoption of IFRS 4 “Insurance Contracts”, the Group performs a liability adequacy test at the end of each reporting period according to the Greek insurance Legislation and the respective legislation of the countries where its subsidiaries are operating.

The evaluation of 30 June 2006 resulted the need for additional liabilities, which refer to the hospitalisation coverage and were charged in the current period. The additional liabilities were € 164.377 thous. for the Life business and € 7.286 thous. regarding the Motor branch outstanding claims.

### 17. OTHER LIABILITIES

	Group		Parent Company	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
	(in thousand €)			
Income tax	1.265	1.922	1.031	1.593
Liabilities from DAF contracts	148.614	141.393	148.614	141.393
Other liabilities	49.257	52.604	42.599	49.477
<b>Total</b>	<b>199.136</b>	<b>195.919</b>	<b>192.244</b>	<b>192.463</b>

## 18. LIABILITIES DUE TO PERSONNEL

With the contracts 2361, 2740 and 3002 issued from the Parent Company, a lump sum is given to each employee when leaving the Company unless the reason of leaving is total or partial disability from accident or disease and has received or will receive in future an allowance that derives from a group contract that is also issued from the Parent Company. This contract covers permanent total disability from disease, death, permanent total or partial disability from accident.

The balance of the liabilities is presented below:

	Group		Parent Company	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
	in thousand €			
Present value of financed obligations	90.717	84.602	90.717	84.602
<b>Minus:</b> Fair value of plan assets	(15.912)	(7.674)	(15.912)	(7.674)
<b>Plus:</b> Present value of non financed obligations	26.934	20.901	26.791	20.776
Unrealised actuarial losses	(21.546)	(21.991)	(21.546)	(21.991)
<b>Minus:</b> Unrealised past service cost	(720)	(747)	(720)	(747)
<b>Pension programs</b>	<b>79.473</b>	<b>75.091</b>	<b>79.330</b>	<b>74.966</b>
Defined benefit expenses are as follows:				
Current service cost	2.127	4.037	2.127	4.037
Interest cost	2.086	5.290	2.086	5.290
Actuarial gains (losses)	444	0	444	0
Expected planned assets investment return	(95)	(977)	(95)	(977)
Current realised service cost	27	57	27	57
Voluntary exit	10.700	2.049	10.700	2.049
<b>Total</b>	<b>15.289</b>	<b>10.456</b>	<b>15.289</b>	<b>10.456</b>
<b>Basic Assumptions</b>				
Discount rate	<b>5,00%</b>	<b>5,00%</b>	<b>5,00%</b>	<b>5,00%</b>
Expected revenue rate from DAF contracts	<b>4,50%</b>	<b>4,50%</b>	<b>4,50%</b>	<b>4,50%</b>
Future salary increases	<b>4,00%</b>	<b>4,00%</b>	<b>4,00%</b>	<b>4,00%</b>
Future pension increases	<b>2,50%</b>	<b>2,50%</b>	<b>2,50%</b>	<b>2,50%</b>

The significant increase of the liabilities due to personnel is mainly attributed to the early retirement scheme, which is going to conclude by 31 December 2006. The scheme's cost is estimated to € 10.700 thous. charged in the Distribution Expenses account as follows: € 4.500 thous. to the Individual Life and € 6.200 to the Non-Life branch.

## 19. SHARE CAPITAL

The nominal price of the Parent Company's shares amounts to € 2,5 per unit. Total share capital amounts to € 322.767 thous. corresponding to 129.106.800 shares.

## 20. RELATED PARTIES ACCORDING TO IAS 24

The condensed interim Financial Statements incorporate the financial statements of "The Ethniki" Insurance Company and its subsidiaries. Investments in associates are presented in Note 11.

The Parent Company provides mainly reinsurance services to its associates. The terms of the reinsurance treaties are equivalent to those of the Parent company with other companies reinsured.

On 30 June 2006 total receivables reached € 194.092 thous., total liabilities € 494 thous., total revenues € 12.855 thous. and total expenses € 6.451 thous. During the first semester of 2006 the compensation of the members of the Board of Directors reached € 748 thous.

## 21. CONTINGENT LIABILITIES

### (a) Legal cases

The Group is involved in several court cases and settlement cases as part of its normal business operations. The Company's management along with its legal advisors believe that all the cases will be settled without having material influence on the Group's financial position or operational results.

### (b) Guarantees

The Parent Company had issued letters of guarantee, which as of 30 June 2006 amount to € 1.523 thous. and relate to the participation in tenders for new contracts.

Athens, 29 August 2006

President and Managing Director	Vice-President	Deputy General Manager	Director of Finance	Chief Actuary	Chief Accountant
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D.-P. PALEOLOGOS	A.I. TOURKOLIAS	I. VASSILATOS	K. ARGYROPOULOS	S.E. GRIVOGIANNIS	G.X. PETOUSIS
S 095068	P 655972	F 070376	X 007460	S 280823	Lic. No 990 / A Class

**CERTIFIED AUDITOR'S REVIEW REPORT**

To the Shareholders of “The Ethniki, Hellenic General Insurance Company S.A.”

We have reviewed the accompanying condensed interim balance sheet of “The Ethniki, Hellenic General Insurance Company S.A.” (the “Company”) and the condensed interim balance sheet of the company and its subsidiary (the “Group”) as of 30 June, 2006 and the related condensed interim income statement, cash flows and changes in shareholders equity for the six months ended 30 June, 2006 for the Company and the Group. Our review was performed for the six month period as a whole and did not include the review of the financial information for the three month period from 1 April to 30 June 2006 and the respective 2005 three month period, which are presented in the income statement of the accompanying condensed interim financial statements. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these condensed interim 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 as to whether the Condensed Company and Group interim financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide 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 condensed interim financial statements for the six months ended 30 June, 2006 for the Company and the Group are not presented fairly, in all material respects, in accordance with International Accounting Standards 34 – Interim Financial Reporting.

Athens, 30 August 2006  
The Certified Public Accountant

Andreas Barlikas  
Reg. No (ICPA (GR)): 13991  
250-254 Kiffissias Av., Athens 152 31 Haladri  
**Deloitte.**