

# **PROTON**BANK

**PROTON BANK GROUP**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**30 SEPTEMBER 2006**

**According to the International Financial Reporting Standards  
(IAS 34)**

The attached condensed interim financial statements have been approved by Proton Bank S.A. Board of Directors on November 13<sup>th</sup>, 2006 and they are available on the web site of Proton Bank at [www.proton.gr](http://www.proton.gr)

<b>Index to the Condensed Consolidated Interim Financial Statements</b>	<b>Page</b>
INCOME STATEMENT .....	1
BALANCE SHEET .....	2
STATEMENT OF CHANGES IN EQUITY .....	3
CASH FLOW STATEMENT .....	4
NOTES TO THE FINANCIAL STATEMENTS .....	5
1. General Information .....	5
2. Basis of preparation .....	5
3. Basic Accounting Policies .....	5
4. Comparative figures .....	5
5. Income seasonality .....	6
6. Subsidiaries and Associates .....	6
7. Segment information .....	7
8. Income tax expense .....	7
9. Earnings per share .....	8
10. Dividends .....	8
11. Impairment of financial assets .....	8
12. Loans and balances with central banks .....	8
13. Loans and advances to credit institutions .....	9
14. Loans and advances to customers .....	9
15. Financial assets at fair value through profit of loss .....	9
16. Available-for-sale financial assets .....	9
17. Due to customers .....	10
18. Share capital .....	10
19. Cash and cash equivalents .....	11
20. Acquisitions .....	11
20.1 Financial effect of acquisition .....	11

20.2 Cost of acquisition - Goodwill .....	12
21 Contingent liabilities .....	13
22 Related party transactions .....	13
23 Changes in composition of the BoD .....	14
24 Restatements .....	14
25 Events after the balance sheet date .....	15

**INCOME STATEMENT**

(Amounts in thousand euros)

	Note	30 SEPTEMBER		3RD QUARTER	
		2006	2005	2006	2005
Interest and similar income		7.073	2.983	2.985	969
Interest and similar charges		(2.417)	(2.010)	(1.373)	(711)
<b>Net interest income</b>		<b>4.656</b>	<b>973</b>	<b>1.612</b>	<b>258</b>
Fee and commission income		15.302	10.088	3.065	3.507
Fee and commission expense		(3.401)	(2.437)	(1.000)	(927)
<b>Net fee and commission income</b>		<b>11.901</b>	<b>7.651</b>	<b>2.065</b>	<b>2.580</b>
Dividend income		1.958	1.143	661	212
Net trading income		22.384	5.837	6.829	3.006
Other operating income		109	221	41	65
<b>Total net Income</b>		<b>41.008</b>	<b>15.825</b>	<b>11.208</b>	<b>6.121</b>
Impairment losses	11	(1.178)	(3.016)	(595)	(2.404)
Operating expenses		(9.356)	(7.352)	(2.956)	(2.427)
<b>Total operating expenses</b>		<b>(10.534)</b>	<b>(10.368)</b>	<b>(3.551)</b>	<b>(4.831)</b>
<b>Profit before income tax</b>		<b>30.474</b>	<b>5.457</b>	<b>7.657</b>	<b>1.290</b>
Income tax expense	8	(3.866)	(588)	(1.534)	(48)
<b>Profit for the period</b>		<b>26.608</b>	<b>4.869</b>	<b>6.123</b>	<b>1.242</b>
<i>Attributable to:</i>					
Equity holders of Proton Bank		26.626	4.885	6.126	1.252
Minority interest		(18)	(16)	(3)	(10)
<b>Basic earnings per share</b>	9	<b>0,59</b>	<b>0,35</b>	<b>0,13</b>	<b>0,09</b>

The notes on pages 5 to 15 form an integral part of these condensed consolidated interim financial statements.

**BALANCE SHEET**

(Amounts in thousand euros)

		<b>30 September 2006</b>	<b>31 December 2005</b>
<b>ASSETS</b>			
	<b>Note</b>		
Cash and balances with central banks	<b>12</b>	31.646	2.251
Loans and advances to Credit Institutions	<b>13</b>	153.087	54.946
Loan and advances to customers, net of provisions	<b>14</b>	839.916	50.563
Insurance receivables		20.176	-
Financial instruments at fair value through profit or loss	<b>15</b>	214.744	117.229
Available-for-sale financial assets	<b>16</b>	38.498	734
Derivative financial instruments - assets		781	7
Investment in Associates		4.363	-
Property, plant and equipment		33.662	1.281
Investment property		50	-
Intangible assets	<b>20.2</b>	110.425	498
Reinsurance contracts		1.641	-
Deferred tax assets		1.393	451
Other assets		80.930	43.950
<b>Total Assets</b>		<b>1.531.312</b>	<b>271.910</b>
<b>LIABILITIES</b>			
Due to Banks		44.220	6.106
Due to customers	<b>17</b>	1.002.643	38.661
Derivative financial instruments - liabilities		2.413	1
Obligations from bonds		1.500	-
Provisions for insurance contracts		35.336	-
Retirement benefit obligations		1.625	200
Other liabilities		66.966	27.631
<b>Total Liabilities</b>		<b>1.154.703</b>	<b>72.599</b>
<b>EQUITY</b>			
Share capital	<b>18</b>	281.450	202.660
Share premium	<b>18</b>	85.478	-
Treasury shares		(1.597)	-
Other reserves		3.360	5.183
Retained earnings		7.323	(8.573)
<b>Equity attributable to equity holders of the Bank</b>		<b>376.014</b>	<b>199.270</b>
Minority interest		595	41
<b>Total Equity</b>		<b>376.609</b>	<b>199.311</b>
<b>Total Equity and Liabilities</b>		<b>1.531.312</b>	<b>271.910</b>

The notes on pages 5 to 15 form an integral part of these condensed consolidated interim financial statements.



**CASH FLOW STATEMENT**

(Amounts in thousand euros)

	<b>30 September 2006</b>	<b>30 September 2005</b>
<b>Cash flows from operating activities</b>	<b>Note</b>	
Profit before Taxation	30.474	5.457
<b>Adjustments for:</b>		
Add : Impairment losses on financial assets	1.178	3.016
Add : Depreciation	429	649
Add : Retirement benefit charge	33	19
Gains (deduct)/(add) form valuation of trading securities	(6.621)	(3.148)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>25.493</b>	<b>5.993</b>
<b>Changes in operating assets and liabilities:</b>		
Net (increase) /decrease in trading securities	(52.364)	(7.936)
Net (increase) /decrease in Loans and advances to customers	(52.745)	(15.644)
Net increase /(decrease ) in other assets	(20.120)	(389)
Net increase /(decrease ) in due to Banks.	(3.718)	(10.545)
Net increase /(decrease ) in due to customers	86.679	27.527
Net increase/ decrease in other liabilities	49.299	(1.011)
<b>Net cash flow from operating activities before tax payment</b>	<b>32.524</b>	<b>(2.005)</b>
Income tax paid	(1.328)	(588)
<b>Net cash flow from operating activities</b>	<b>31.196</b>	<b>(2.593)</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	<b>20.1</b> 131.836	(595)
Purchases / (proceeds) of property plant & equipment, intangible assets	(143)	(465)
Purchases / (proceeds) of Available-for-sale securities	(7.334)	(3.095)
<b>Net cash flow from investing activities</b>	<b>124.359</b>	<b>(4.156)</b>
<b>Cash flow from investing activities</b>		
Purchases of treasury shares	(2.446)	-
Sales of treasury shares	2.558	-
Dividends paid	(12.638)	-
<b>Net cash flow from investing activities</b>	<b>(12.526)</b>	-
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>143.029</b>	<b>(6.749)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>19</b> 57.198	22.052
Eliminations of cash and cash equivalents between merged companies	(26.662)	-
<b>Cash and cash equivalents at end of period</b>	<b>19</b> 173.565	<b>15.303</b>

The notes on pages 5 to 15 form an integral part of these condensed consolidated interim financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****1 General Information**

PROTON BANK S.A. (the «Bank») and its subsidiaries operate in the sectors of individual and corporate banking, financial services, portfolio management, insurance and other services. The Bank is established in Greece and operates also in Serbia and Switzerland.

The change in the business name from «PROTON INVESTMENT BANK S.A.» to «PROTON BANK S.A.» was registered in the Registry of Societes Anonyme on November 4<sup>th</sup> 2006.

The Bank is listed in the Athens Stock Exchange since December 2005, and apart from the General Index it is included in FTSE-40 index. The total number of shares outstanding as of September 30<sup>th</sup> 2006 was 45.135.892, and the issue of 17.547.930 new shares as a result of the merger with Omega Bank is expected.

The number of personnel as of 30 September 2006 was 634.

These financial statements have been approved by the Board of Directors at the meeting of November 13<sup>th</sup> 2006.

**2 Basis of preparation**

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS 34) «Interim Financial Reporting» and should be read along with the Bank's annual consolidated financial statements for the year ended 31 December 2005, which are the first financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS).

**3 Basic Accounting Policies**

The accounting policies and estimates adopted in these condensed interim financial statements are consistent with those of the financial statements for the year ended 31 December 2006.

The Group adopted the revised International Accounting Standard (IAS 39) from 1 January 2006 with respect to "financial guarantee contracts".

The amounts presented in these financial statements are in thousand euros, unless otherwise stated.

**4 Comparative figures**

For the preparation of the Balance Sheet for the period ending 30 September 2006, comparative figures of 31 December 2005 were used. For the preparation of the Income Statement, comparative figures as of 30 September 2005 were used.

As described in the Group's annual financial statements as of 31 December 2005, the Group absorbed three closed end funds (ARROW, EURODYNAMIKI, and EXELIXI). Therefore, the Income Statement figures are not comparable with those of the respective prior year. Furthermore, as described in note 20, the Bank absorbed OMEGA BANK S.A. and PROTON SECURITIES S.A., and consequently the Balance Sheet figures are not comparable.

Additionally, some balance sheet accounts have been reclassified, in order to be similar with the financial statements of the absorbed bank. The effect of these reclassifications is described in detail in note 24.

**5 Income seasonality**

PROTON BANK SA and its subsidiaries operate in the sectors of banking, financial services, portfolio management, insurance and other services, the income of which are not characterized by seasonality.

**6 Subsidiaries and Associates**

The consolidated financial statements of 30 September 2006 include the following companies:

**Investment in subsidiaries**

<b>Business Name</b>	<b>Country</b>	<b>% of holding</b>		<b>Total</b>
		<b>Direct</b>	<b>Indirect</b>	
PROTON ASSET MANAGEMENT SA	Greece	99,90%	-	99,90%
PROTON MUTUAL FUNDS MGT CO. SA	Greece	99,90%	-	99,90%
FIRST GLOBAL BROKERS S.A.	Serbia	82,49%	-	82,49%
OMEGA MUTUAL FUNDS MGT CO.SA	Greece	93,07%	-	93,07%
OMEGA INSURANCE SERVICES SA	Greece	66,00%	-	66,00%
OMEGA INSUARANCE SA	Greece	76,85%	5,93%	82,78%
INTELLECTRON SYSTEMS SA	Greece	55,64%	-	55,64%
OMEGA KAHN FINANCIAL SERVICES S.A.	Switzerland	80,00%	-	80,00%
OMEGA SA FINANCIAL ADVISORS -INVESTMENTS & REAL ESTATE MGT	Greece	100,00%	-	100,00%

**Investment in Associates**

OMEGA PORTFOLIO INVESTMENT S.A.	Greece	24,69%	4,06%	28,75%
---------------------------------	--------	--------	-------	--------

During the period, the following changes in the bank's portfolio of investments in subsidiaries and associates took place:

**Balance at 1 January 2006**

- Acquisition of minority interests (Proton Securities)	51.595
- Change due to merger (Proton Securities)	10
- Acquisitions (Note 20.1)	(27.010)
- Other acquisitions	20.821
- Impairment losses (described below)	7
	(595)

**Balance at 30 September 2006****44.828**

These consolidated financial statements for the period ending 30 September 2006 do not include ARROW ASSET FINANCE SA, since on 30 September 2006 the dissolution of ARROW ASSET FINANCE was completed, as the Extraordinary General Meeting of the company's shareholders, approved the start up and liquidation balance sheet according to the article 47 of Law 2190/20 and 35 of the company's Articles of Association.

The dissolution and liquidation of the company had no material effect on the Group's net assets since the investment in the particular subsidiary with a cost of 369 thousand euro was written off. The impairment loss of 369 thousand euro was charged against the income statement of the year 2005.

The impairment testing of the investment in the subsidiary company First Global Brokers S.A., with a cost of 595 thousand euro, resulted in an impairment loss, as the carrying amount of investment was below its recoverable amount determined according to provisions of IAS 36 «Impairment of Assets».

The recoverable amount was deemed as the higher of its fair value less cost to sell and value in use, for the computation of which, valuations of comparable companies, future cash flows based on management best estimate and the company's current condition were taken into account (negative equity).

The loss of 595 thousand euro was charged against the income statement of the current period (investment banking segment) and was allocated to the previously recognised goodwill at the date of acquisition and the subsidiary's tangible assets.

## 7 Segment information

Information about business segments for the period ending 30.09.2006	Investment Banking	Commercial Banking	Eliminations	Total
<b>Revenue</b>				
Net Revenue	34.830	6.178	-	41.008
Intersegment revenue	463	-	(463)	-
Total revenue	35.293	6.178	(463)	41.008
<b>Result</b>				
Profit after tax	23.427	3.889	(708)	26.608

Information about business segments for the period ending 30.09.2005	Investment Banking	Commercial Banking	Eliminations	Total
<b>Revenue</b>				
Net Revenue	15.198	626	-	15.825
Intersegment revenue	1.097	-	(1.097)	-
Total revenue	16.295	626	(1.097)	15.825
<b>Result</b>				
Profit after tax	5.848	(175)	(803)	4.869

As mentioned in note 4, the revenues and results by business segment for the periods ending 30 September 2006 and 2005 respectively, are not comparable due to the merger (absorption) with the three Closed-end Funds.

## 8 Income tax expense

	30 September 2006	31 December 2005
Current income tax	2.857	217
Tax on distribution of profits (from untaxed reserves)	833	-
Deferred tax	176	2
Prior year tax audit differences	-	369
<b>Total</b>	<b>3.866</b>	<b>588</b>

According to the provisions of the Tax Law 2992/2002, upon completion of the merger with other companies, entities define their income tax for the first absorption balance sheet, based on the tax rate in effect, reduced by ten (10) percentage points; and on the taxable profits of the second balance sheet based on the tax rate in effect reduced by five (5) percentage points.

According to the articles of the Tax Law 3470/2006, the tax benefit for the companies which are entitled to a reduced tax ratio, based on the provisions of Law 2992/2002, is allocated in equal sums in three consecutive accounting periods, starting from the accounting period within which the change was completed, and it concerns only cash management of the specific amount of tax.

The tax rate used to define the income tax as well as the deferred tax was 24% (29% - 5%).

The tax authorities haven't reviewed the tax liabilities of the Group, for the year 2005 and the period ending 30 September 2006; therefore, the tax liabilities are not finalized. The outcome of the tax audit cannot be estimated at this stage consequently no provision was recognized.

## 9 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable the shareholders of the parent by the weighted average number of shares in issue during the period, excluding the average number of treasury shares held by the Group. Basic and diluted earnings per share remain the same, as the Group has no commitments to issue of new shares.

	<b>30 September 2006</b>	<b>31 December 2005</b>
Profit after tax	26.626	4.885
Weighted average number of shares in issue	45.051.540	14.000.000
<b>Basic earnings per share</b>	<b>0,59</b>	<b>0,35</b>

## 10 Dividends

The annual Regular General Meeting of shareholders on the 14<sup>th</sup> of April 2006, approved a dividend amounting to a total of 12.638.049,76 Euro (0,28 Euro per share). The dividend relates to profits of year 2005 and an appropriation of prior year reserves. The dividend was paid on the 4<sup>th</sup> of May 2006.

## 11 Impairment of financial assets

The balance includes an amount of 583 thousand euro which refers to write offs of other receivables. The remaining 595 thousand euro, relates to the provision for impairment of the investment in a subsidiary, as described in detail in note 6.

## 12 Loans and balances with central banks

	<b>30 September 2006</b>	<b>31 December 2005</b>
Cash in hand	7.611	41
Cheques receivable	12.866	-
Balances with Central Bank other than mandatory deposits	-	2.210
<b>Included in cash and cash equivalents (Note 19)</b>	<b>20.477</b>	<b>2.251</b>
Mandatory reserve deposits with Central Bank	11.169	-
<b>Total</b>	<b>31.646</b>	<b>2.251</b>

**13 Loans and advances to credit institutions**

	<b>30 September 2006</b>	<b>31 December 2005</b>
Placements with other banks	23.977	48.931
Items in course of collection from other banks	743	-
Reverse repurchase agreements	128.367	6.015
<b>Total - Included in cash and cash equivalents (Note 19)</b>	<b>153.087</b>	<b>54.946</b>

**14 Loans and advances to customers**

	<b>30 September 2006</b>	<b>31 December 2005</b>
<b>Loans to individuals</b>	<b>238.067</b>	<b>41.313</b>
<b>Loans to corporate entities</b>	<b>633.086</b>	<b>9.841</b>
Manufacturing entities	42.326	-
Construction entities	65.112	4.990
Commercial, Banks and Insurance entities	257.878	-
Transportation entities	96.893	-
Other sectors	170.877	4.851
	<b>871.153</b>	<b>51.154</b>
Less : allowance for losses on loans and advances	(31.237)	(591)
<b>Total</b>	<b>839.916</b>	<b>50.563</b>

**15 Financial assets at fair value through profit or loss**

	<b>30 September 2006</b>	<b>31 December 2005</b>
Listed shares on Athens Stock Exchange	84.583	75.429
Listed shares on abroad stock exchanges	14.421	14.323
	99.004	89.752
Greek Government Bonds	9.229	4.613
Foreign Government Bonds	3.744	2.161
Corporate Bonds	23.457	2.224
Bank Bonds	52.507	4.004
	88.937	13.002
Mutual fund shares	26.803	14.475
<b>Total</b>	<b>214.744</b>	<b>117.229</b>

**16 Available-for-sale financial assets**

	<b>30 September 2006</b>	<b>31 December 2005</b>
Corporate Bonds	34.728	3.004
Unlisted shares	6.502	603
Other investments	272	131
Less : allowance for losses	(3.004)	(3.004)
<b>Total</b>	<b>38.498</b>	<b>734</b>

**17 Due to customers**

	<b>30 September 2006</b>	<b>31 December 2005</b>
Current account	53.672	15.392
Savings account	54.694	-
Time deposits:		
- Individuals	465.110	4.953
- Corporate	161.676	17.959
- Public organizations and entities	32.254	-
- Special time deposits	80.669	-
- Cash collateral deposits	37.888	-
- Other deposits	116.680	357
<b>Total</b>	<b>1.002.643</b>	<b>38.661</b>

**18 Share capital**

	<b>Share Capital</b>	<b>Share premium</b>	<b>Total</b>
<b>Balance at 1 January 2006</b>	202.660	-	202.660
Share capital increase	78.771	85.478	164.249
Capitalization of retained earnings	19	-	19
<b>Balance at 30 September 2006</b>	<b>281.450</b>	<b>85.478</b>	<b>366.928</b>

On 7 September 2006, the Extraordinary General Meeting of Shareholders of PROTON INVESTMENT BANK SA (the acquirer) decided the merger of the Bank with the companies OMEGA BANK SA (first acquiree) and PROTON SECURITIES (second acquiree). According to the Draft Merger Contract, which was approved by the General Meeting, the exchange ratio was 1 share of the first acquiree for 0,90 shares of the acquirer. As the Bank held 100% of the second acquiree's shares, there was no exchange ratio. Additionally, the General Meeting decided the amendment of article 5 of its Articles of Association in order for the bank's share capital to rise after the merger, to a total amount of 281.450.360,78 euro divided into 62.683.822 common voting shares of nominal value 4,49 euro each. The merger was completed on 29 September 2006.

The movement of the bank's shares is as follows:

	<b>Issued shares</b>	<b>Treasury shares</b>	<b>Net number of shares</b>
<b>Balance at 1 January 2006</b>	45.135.892	-	45.135.892
Issue of new shares (Note 20.2)	17.547.930	-	17.547.930
Purchases of treasury shares	-	(548.144)	(548.144)
Sales of treasury shares	-	377.509	377.509
<b>Balance after merger</b>	<b>62.683.822</b>	<b>(170.635)</b>	<b>62.513.187</b>

**19 Cash and cash equivalents**

For the purposes of preparing the Cash Flow Statement, cash and cash equivalents include balances with maturity less than three months from the date of acquisition such as: cash, balances with Central Bank and other credit institutions and money market instruments.

	<b>30 September 2006</b>	<b>31 December 2005</b>
Cash and balances with Central Bank (Note 12)	20.477	2.251
Loans and advances to Credit Institutions (Note 13)	153.087	54.946
<b>Total</b>	<b>173.565</b>	<b>57.198</b>

**20 Acquisitions**

On 29 September 2006, as described in note 18, the merger (absorption) of companies OMEGA BANK SA and PROTON SECURITIES SA with PROTON BANK was completed. For the above merger, the provisions of IFRS 3 «Business Combinations» were followed which applies for business combinations after 31 March 2004.

Specifically, according to IFRS 3, the above combination was accounted for by applying the purchase method. The fair value of the price given by the acquirer for the acquisition of the absorbed companies' assets was considered as the cost of acquisition. The date when control was transferred to the acquirer was considered as the acquisition date. According to the Draft Merger Contract, the merger is considered to be completed and the control will be transferred to PROTON INVESTMENT BANK SA, when the approving decision by the authorities will be recorded in the registry of Societes Anonymes. The above merger was approved by the General Meeting of Shareholders on 7 September 2006, and recorded in the registry of Societes Anonymes on 29 September 2006.

Information about and the effect of the acquisition on the financial status of the acquirer are presented below.

**20.1 Financial effect of acquisition**

The acquisition (absorption) of OMEGA BANK SA by the acquirer on the date of acquisition resulted in an increase of assets and liabilities by 1.085.646 thousand euros and 1.027.114 thousand euros respectively.

If the acquisition had occurred on 1 January 2006, total net revenues and after tax profit of the acquirer for the period ending 30 September 2006 would be 102.695 thousand euros and 18.629 thousand euros respectively.

The identifiable assets and liabilities acquired on the date of acquisition are as follows:

<b>Preliminary Fair value</b>	<b>in thousand Euros</b>
Cash and balances with central banks	11.169
Cash and cash equivalents	155.982
Loan and advances to customers, net of provisions	766.608
Insurance receivables	20.176
Financial instruments at fair value through profit or loss	40.276
Available-for-sale financial assets	31.024
Derivative financial instruments - assets	368
Investments in associates	4.356
Property, Plant and equipment	32.632
Investment property	50
Intangible assets	3.384
Reinsurance contracts	1.641
Deferred tax assets	1.120
Other assets	16.860
Due to Banks	(95.417)
Derivative financial instruments - liabilities	(2.128)
Obligations from bonds	(1.500)
Due to customers	(877.363)
Provisions for insurance contracts	(35.336)
Other liabilities	(13.978)
Retirement benefit obligations	(1.392)
<b>Net identifiable assets acquired</b>	<b>58.532</b>
<b>(Outflow) / inflow to acquire business , net of cash acquired:</b>	
- cash consideration (costs directly attributable to the acquisition)	(601)
- cash and cash equivalents acquired	155.982
- elimination of cash and cash equivalents between Omega Bank and Proton Bank	(23.545)
<b>Net inflow</b>	<b>131.836</b>

The fair value estimation process of the identifiable assets, liabilities and contingent liabilities of Omega Bank (the acquiree) is under way. After the final determination of the fair value of identifiable assets, the acquirer will allocate the cost of acquisition recognizing the assets, liabilities and contingent liabilities of the acquiree at their fair values on the date of acquisition. The excess between the cost of acquisition and the fair value of identifiable assets, liabilities and contingent liabilities, will be recognized as goodwill.

## 20.2 Cost of acquisition - Goodwill

The cost of acquisition amounted to 164.850 thousand euros and was determined by the market value of the acquirer's shares on 29 September 2006, and is analyzed as follows:

Fair value of equity instruments exchanged (17.547.930 X 9,36 € per share)		164.249
Direct costs relating to the acquisition		601
<b>Total cost of business combination</b>		<b>164.850</b>
Fair value of net identifiable assets acquired	20.1	(58.532)
<b>Goodwill</b>		<b>106.318</b>

**21 Contingent liabilities****21.1 Legal proceedings**

There are some receivables and lawsuits outstanding against the Group in the normal course of business. No provision in relation to these claims has been recognized, because according to the advice of the legal department, the final sentence judgment and their settlement are not expected to have a material impact on the financial position or operations of the Group.

**21.2 Off balance sheet items**

	<b>30 September 2006</b>	<b>31 December 2005</b>
Letters of guarantee	75.458	38.411
Irrevocable letters of credit	1.891	-
<b>Total</b>	<b>77.349</b>	<b>38.411</b>

From the above balance, an amount of 65.750 thousand euros represent contingent liabilities assumed by PROTON BANK SA from OMEGA BANK SA.

**21.3 Assets pledged**

The rights on bonds issued by G.B.G Finance with a nominal value of 4 million euros have been assigned to Hypo Real Estate Dublin for entering into an Interest Rate Swap.

The rights on bonds issued by Halcyon with a nominal value of 2.5 million euros have been assigned to Hypo Real Estate Dublin as part of a repurchase agreement.

The above contingent liabilities represent assets pledged by OMEGA BANK.

**22 Related party transactions**

Related parties include:

- Members of the Bank Board of Directors and key management personnel of the Bank
- Close family and financially dependants of the above persons, and
- Companies having transactions with the Bank, when the total cumulative participating interest exceeds 20%. Transactions of similar nature are disclosed together.

The balances of the Group transactions with its related parties are as follows:

	<b>BOD members &amp; key management personnel</b>		<b>BOD members &amp; key management personnel</b>	
	<b>Associates</b>		<b>Associates</b>	
	<b>30 September 2006</b>		<b>31 December 2005</b>	
Loans	4.809	-	12.323	-
Deposits	20.946	3.076	1.558	-
Other receivables	1.507	54	-	-
	27.262	3.130	13.881	-
Letters of guarantee	127	-	117	-
	<b>30 September 2006</b>		<b>31 December 2005</b>	
Interest and similar income	102	-	604	-
Interest and similar charges	126	-	28	-
Other income	-	-	1	-
Other expenses	-	-	-	-
Salaries and other remuneration	1.465	-	440	-
	1.693	-	1.073	-

### 23 Changes in the composition of the BoD

On 7 September 2006 the Extraordinary General Meeting of the bank elected a new Board of Directors and redefined its responsibilities. The composition of the Bank's BoD on 30 September had as follows:

Angeliki N.Fragou	Chairman, Non-Executive Member
Anthony I.Athanassoglou	Vice-Chairman, Executive Member
Elias G.Lianos	Managing Director, Executive Member
Theodoros P.Mylonas	Deputy Managing Director, Executive Member
Dimitrios G.Saramantis	Executive Member
Hasdai V.Capon	Executive Member
Loukas N.Valetopoulos	Non-Executive Member
George P.Minetas	Non-Executive Member
Markos A.Foros	Non-Executive Member
Alexandra G.Stavropoulou	Independent Non-Executive Member
Panagiotis D.Alexakis	Independent Non-Executive Member

On the Board meeting of 29 September 2006, Mr.Loukas N.Valetopoulos was elected as a new member Non-Executive Member, in replacement of Mr.Georgios P.Kintis who resigned from the board. The above Board of Directors is of three-year tenure, starting from September 7<sup>th</sup>, 2006, which was the date of the Extraordinary General Meeting.

### 24 Restatements

The restatements mentioned in note 4 refer to reclassifications of balance sheet accounts for the year ending 31 December 2005, which had no effect on the Bank's equity, and are presented below:

(a) reclassification of balance sheet accounts:

<b>Balance sheet accounts</b>	<b>Note</b>	<b>As reported</b>	<b>Reclassification</b>		<b>Restated</b>
Loans and advances to customers	<b>i</b>	85.868		(35.305)	50.563
Other assets		8.368	35.564		43.950
Total Assets		271.650	35.564	(35.305)	271.910
Due to customers	<b>ii</b>	61.333	(22.672)		38.661
Other liabilities		4.699		22.932	27.631
Total liabilities		72.339	(22.672)	22.932	72.599

(i) reclassification of the above amount refers mainly to receivables by the Group from margin accounts in Derivatives stock exchanges

(ii) reclassification refers to the transfer of customers' credit balances from stock exchange transactions which are settled within three days

## 25 Events after the balance sheet date

Beside the aforesaid, there were no significant events subsequent to 30 September 2006 which are required to be mentioned.

Athens, November 13<sup>th</sup> 2006

The Vice Chairman of the BoD

The Managing Director of the BoD

The General Manager

Anthony I.Athanassoglou

Elias G.Lianos

Athanassios I.Papaspiliou

The Financial Managers

Georgios S.Nikiforakis

Polychronis V.Karachalios