



PROTON INVESTMENT BANK S.A.

**Condensed Consolidated
Interim Financial Statements**

as of 30 June 2006

**In accordance with the
International Financial Reporting Standards**

(Unless otherwise stated, all amounts in euro)

The financial statements attached were approved by the Board of Directors of Proton Investment Bank on August 7th, 2006 and have been posted on the web at www.proton.gr

Official translation from the Greek document

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Auditor's Review Report
(Translated from the original in Greek)

To the Shareholders of
PROTON INVESTMENT BANK S.A.

We have reviewed the accompanying interim consolidated condensed balance sheet of PROTON INVESTMENT BANK S.A. (the "Bank") as of 30 June 2006 and the interim consolidated condensed statements of income, changes in equity and cash flows for the six month period then ended and the explanatory notes (the interim financial statements). These interim financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these interim financial statements based on our review. Our review concerns the six month period at all and does not extend to the standalone financial information of the second quarter of 2006 results.

We conducted our review in accordance with the International Standard on Review Engagements 2400 as provided by the Greek Auditing Standards. This standard requires that we plan and perform the review to obtain moderate assurance that the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank 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 interim financial statements are not prepared, in all material respects, in accordance with the International Financial Reporting Standards (IFRS), adopted by the European Union applicable to interim financial reporting (IAS 34).

Without qualifying our review conclusion, we draw attention to note 7 to the interim financial statements that the tax obligations of the Bank and its subsidiaries for the year 2005 and the period ended 30 June 2006 have not yet been audited by the tax authorities and accordingly its tax obligations for these years are not considered final. The outcome of a tax audit cannot presently be determined.

Athens, 8 August 2006

KPMG Kyriacou Certified Auditors AE

Nick Tsiboukas
Certified Auditor Accountant
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KPMG Kyriacou Certified Auditors AE, a Greek Societe Anonyme, is a member firm of KPMG International, a Swiss cooperative

Consolidated income statement

For the six months ended 30 June 2006

	Note	From 1 January to 30 June		From 1 April to 30 June	
		2006	2005	2006	2005
Interest and similar income		4.087.094	2.014.029	2.007.187	991.206
Interest expense and similar charges		(1.043.591)	(1.299.375)	(430.902)	(646.133)
Net interest income		3.043.503	714.654	1.576.285	345.073
Fee and commission income		12.237.166	6.581.417	9.111.043	4.136.785
Fee and commission expense		(2.401.637)	(1.509.739)	(1.152.648)	(884.971)
Net fee and commission income		9.835.529	5.071.678	7.958.395	3.251.814
Net trading income		15.554.515	2.830.881	255.129	2.494.643
Dividend income		1.298.015	931.129	1.031.803	292.003
Other operating income		68.232	155.215	46.569	69.212
Total operating income		29.799.794	9.703.557	10.868.181	6.452.745
Impairment of fixed assets		(582.754)	(612.159)	(455.394)	(612.159)
Total operating expenses		(6.400.328)	(4.924.414)	(2.843.149)	(2.546.445)
Profit before tax		22.816.712	4.166.984	7.569.638	3.294.141
Income tax expense	7	(2.331.301)	(539.770)	(763.394)	(286.963)
Profit after tax		20.485.411	3.627.214	6.806.244	3.007.178
<i>Attributable to:</i>					
<i>Shareholders of the parent</i>		<i>20.500.784</i>	<i>3.632.756</i>	<i>6.813.667</i>	<i>3.012.718</i>
<i>Minority interests</i>		<i>(15.373)</i>	<i>(5.542)</i>	<i>(7.423)</i>	<i>(5.540)</i>
Basic and diluted earnings per share	8	0,46	0,26	0,16	0,22

(amounts in euro per share)

Athens, 7 August 2006

 The Vice Chairman
and Executive Member
of the Managing Board

 The Managing Director
and Executive Member
of the Managing Board

The General Manager

 The Chief Financial
Officer

Antonios I. Athanassoglou

Elias G. Lianos

 Athanassios I.
Paspiliou

Georgios S. Nikiforakis

The notes on pages 5 to 10 form an integral part of these condensed consolidated interim financial statements.

Consolidated balance sheet

For the six months ended 30 June 2006

	Note	30 June 2006	31 December 2005
<u>ASSETS</u>			
Cash and balances with central banks		2.217.445	2.251.382
Due from banks	10	14.738.606	54.946.193
Financial assets at fair value through P&L	11	151.560.318	117.229.028
Derivative financial instruments		-	7.063
Loans and advances to customers, net	12	276.961.358	80.168.550
Assets classified as held-for-sale		854.760	734.406
Property, plant and equipment, net		1.125.390	1.280.566
Intangible assets, net		422.330	497.641
Deferred tax assets		419.630	450.362
Other assets		21.984.676	14.344.848
Total Assets		470.284.513	271.910.039
<u>LIABILITIES</u>			
Due to banks		44.138.000	6.105.942
Due to customers	13	62.705.488	38.661.202
Derivative financial instruments		159.227	635
Retirement benefit obligations		220.662	199.510
Other liabilities		155.808.368	27.630.832
Total liabilities		263.031.745	72.598.121
<u>SHAREHOLDERS' EQUITY</u>			
Share capital		202.660.155	202.660.155
Reserves		3.271.113	5.183.496
Retained earnings/ (losses)		1.303.518	(8.573.165)
Equity attributable to shareholders' of the parent		207.234.786	199.270.486
Minority interest		17.982	41.432
Total shareholders' equity		207.252.768	199.311.918
Total shareholders' equity and liabilities		470.284.513	271.910.039

The notes on pages 5 to 10 form an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity

For the six months ended 30 June 2006

	Share Capital	Reserves	Retained Earnings / (Losses)	Equity attributable to shareholders' of the parent	Minority interest	Total shareholders' equity
Balance at 1 January 2005	35.000.000	5.443.587	(5.074.160)	35.369.427	14.147	35.383.574
Net profit for the period	-	-	3.632.756	3.632.756	(5.542)	3.627.214
Consolidation adjustments	-	-	-	-	55.465	55.465
Balance at 30 June 2005	35.000.000	5.443.587	(1.441.404)	39.002.184	64.070	39.066.254
Balance at 1 July 2005	35.000.000	5.443.587	(1.441.404)	39.002.184	64.070	39.066.254
Acquisition, disposals & share capital increases	141.747.952	-	-	141.747.952	-	141.747.952
Share capital increase due to the business combination with ARROW SA, EURODYNAMICS SA and EXELIXI SA	25.652.058	-	(25.652.058)	-	-	-
Share capital increase resulting from reserves from purchases and sales of marketable securities	260.145	(260.145)	-	-	-	-
Other adjusting entries	-	54	89.867	89.921	-	89.921
Net profit for the period	-	-	18.430.429	18.430.429	(22.638)	18.407.791
Balance at 31 December 2005	202.660.155	5.183.496	(8.573.165)	199.270.486	41.432	199.311.918
Balance at 1 January 2006	202.660.155	5.183.496	(8.573.165)	199.270.486	41.432	199.311.918
Net profit for the period	-	-	20.500.784	20.500.784	(15.373)	20.485.411
Dividends paid for 2005	-	(2.638.050)	(10.000.000)	(12.638.050)	-	(12.638.050)
Transfer to statutory reserves	-	725.667	(725.667)	-	-	-
Consolidation adjustments	-	-	(10.785)	(10.785)	(8.190)	(18.975)
Acquisitions of treasury shares	(2.445.895)	-	-	(2.445.895)	-	(2.445.895)
Disposals of treasury shares	2.445.895	-	112.351	2.558.246	113	2.558.359
Balance at 30 June 2006	202.660.155	3.271.113	1.303.518	207.234.786	17.982	207.252.768

The notes on pages 5 to 10 form an integral part of these condensed consolidated interim financial statements.

Consolidated statement of cash flows

For the six months ended 30 June 2006

	<u>30 June 2006</u>	<u>30 June 2005</u>
Cash flows from operating activities		
Profit before tax for the period	22.816.712	4.166.984
Adjustments for non-cash items	(683.063)	(959.978)
Changes in operating assets and liabilities		
Net (increase) / decrease in due from banks	40.207.587	7.474.318
Net (increase) / decrease in financial assets at fair value	(32.739.368)	1.899.956
Net (increase) / decrease in derivative financial instruments	7.063	16.683
Net (increase) / decrease in loans and advances to customers	(196.792.808)	(22.976.184)
Net (increase) / decrease in other assets	(10.680.232)	28.135.201
Net increase / (decrease) in due to banks	38.032.058	(2.494.896)
Net increase / (decrease) in due to customers	23.959.018	(15.826.466)
Net increase / (decrease) in derivative financial instruments	158.592	13.922
Net increase / (decrease) in other liabilities	128.522.676	(365.877)
Net cash flow from / (used in) operating activities	<u>12.808.235</u>	<u>(907.337)</u>
Cash flows from investing activities		
Net proceeds / (purchases) of fixed assets	(73.767)	(374.523)
Net proceeds / (purchases) of investment securities–held for sale	(130.355)	(79.393)
Net cash flow from / (used in) investing activities	<u>(204.122)</u>	<u>(453.916)</u>
Cash flows from financing activities		
Dividends paid	(12.638.050)	0
Net cash flow from / (used in) financing activities	<u>(12.638.050)</u>	<u>0</u>
Net increase / (decrease) in cash and cash equivalents	<u>(33.937)</u>	<u>(1.361.253)</u>
Cash and cash equivalents at beginning of period	2.251.382	3.590.017
Cash and cash equivalents at ending of period	2.217.445	2.228.764

The notes on pages 5 to 10 form an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

The condensed consolidated interim financial statements for six months ended 30 June 2006 were approved by the Board of Directors on 1 August 2006 and are available upon request from the Bank's registered office at Lagoumitzi 22, Kallithea Athens-Greece or at www.proton.gr.

1. General information

PROTON INVESTMENT BANK SA (referred to as the "Bank" or "PROTON" or "Parent") is the parent company of the PROTON consolidated group of companies (together referred to as the "Group") which their range of activities cover almost the whole spectrum of the financial industry. More precisely, the Group is specialized on investments banking, such as asset management, brokerage services, specialized corporate advisory, while at the same time is offering the so-called "traditional banking products and services" which concern lending and borrowing to the non-financial sector, custodian services, etc.

Since December 2005, the ordinary shares of the parent are listed and traded in the Athens Stock Exchange.

The following table presents, in summary, the subsidiary undertakings which are included in the consolidated interim financial statements under the full consolidation method:

<u>Subsidiary undertakings</u>	<u>Activity</u>	<u>Participating interest</u>	
		<u>30 June 2006</u>	<u>31 December 2005</u>
PROTON SECURITIES SA	Brokerage house	100,00 %	99,90 %
PROTON ASSET MANAGEMENT SA	Asset management	99,90 %	99,90 %
PROTON MUTUAL FUNDS MANAGEMENT CO. SA	Mutual funds	99,90 %	99,90 %
ARROW ASSET FINANCE SA	Specialized corporate advisory	99,90 %	99,90 %
FIRST GLOBAL BROKERS AD	Brokerage house	82,49 %	82,49 %

On 30 March 2006 the Ordinary General Shareholders' Meeting of the subsidiary undertaking ARROW ASSET FINANCE SA unanimously decided for the disillusion of the entity and its full liquidation (in accordance with the provisions of the articles of 47a of C.L. 2190/20 and the statute 35 of the entity itself). This decision has been strongly influenced by the fact that the parent overlaps and fully complements the activities and processes of this subsidiary as these have been put forth in its statutes. In addition, the total shareholders' equity of the ARROW ASSET FINANCE SA are less than one tenth of its share capital issued and authorized, thus, the decision of the shareholders' meeting is in line with the provisions of the articles of 47 and 48 of C.L. 2190/20.

2. Statement of compliance

The condensed consolidated interim financial statements for six months ended 30 June 2006 have been prepared in accordance with the International Financial Reporting Standards (IFRS) IAS 34 "Interim Financial Statements" as adopted by the European Union (EU) and conform to the interim financial reporting.

3. Significant accounting policies

The accounting policies applied and the judgment and estimates used in these condensed consolidated interim financial statements remain unchanged with those applied in PROTON's first consolidated financial statements as at and for the year ended 31 December 2005 which conform to the International Financial Reporting Standards (IFRS) .

The preparation of the condensed consolidated interim financial statements requires the use of judgment and estimates based on the Management's best knowledge which might affect the recognition and valuation of assets and liabilities, and the reported amounts of income and expense during the reporting period as well. Although the relevant judgment and estimates are thoroughly analyzed, these demand further consideration based on historical events and future expectations.

The condensed consolidated interim financial statements are presented in euros, which is the presentation currency of the Bank, rounded to the nearest euro.

4. Comparative Figures

For all periods up to and including the one ended 30 June 2006, PROTON prepared its consolidated financial statements using comparatives. Thereby, the consolidated interim balance sheet for six months ended 30 June 2006 presents relevant comparative figures with those reported for the year ended 31 December 2005. Besides, the consolidated interim income statement for six months ended 30 June 2006 includes comparatives for the period ended 30 June 2005. But, following the recent merger between PROTON with three closed-end funds, as it has extensively outlined in PROTON's consolidated financial statements for the year ended 31 December 2005, the figures calculated in the consolidated interim financial statements for the period ended 30 June 2006 are not comparable with those revealing corresponding information for the relevant preceding period.

Where necessary, comparatives have been adjusted to conform to changes in the presentation of the current consolidated interim financial statements. More precisely, the following adjustments have been occurred with regard to the figures revealing corresponding information for the relevant preceding period:

<u>B/S item</u>	<u>Amount</u>
a) Loans and advances to customers, net	(5.699.450)
Other assets	5.959.321
Other liabilities	(259.871)
The above reclassification refers to receivables on margin accounts by the Bank from various derivatives exchanges.	
b) Due to customers	22.672.229
Other liabilities	(22.672.229)

The above reclassification refers to credit balances of Proton Securities customers which are settled within three days

5. Income Seasonality

The Bank is mainly specialized on investment banking, therefore, its income and results are not subject to seasonality of cyclicity of interim operations but largely depend on interest rate fluctuations and return on investment of the securities portfolio involved.

6. Segment Reporting

In consistency with PROTON's management and business structure, together with the fact that its income and results are attributable to one geographical segment -the Bank operates principally in Greece- the internal reporting structure applicable in the financial period is as follows:

Investment banking includes asset management, brokerage services, advisory, capital markets, financing and transaction banking as well as interbank treasury activities (swaps, futures, IRS, bonds, interbank lending and borrowing).

Consumer & corporate banking serves consumer, commercial, corporate and institutional clients with the traditional banking products and services such as lending, borrowing, letters of guarantee, custodian services etc.

<u>Business segment</u>	<u>Income</u>		<u>Profits</u>	
	<u>30 June 2006</u>	<u>30 June 2005</u>	<u>30 June 2006</u>	<u>30 June 2005</u>
Investment banking	25.716.423	8.966.060	20.605.320	3.683.342
Commercial banking	4.083.371	737.497	2.211.392	483.642
Operating (total)	29.799.794	9.703.557	22.816.712	4.166.984

As it has already mentioned (Note 4), the figures calculated for the period ended 30 June 2005, in the Segment Reporting, are not comparable with those revealing corresponding information for the period ended 30 June 2005.

7. Income Tax Expense

	<u>30 June 2006</u>	<u>30 June 2005</u>
Current income tax expense	1.467.501	340.269
Additional tax expense on dividends, chargeable to the reserve account	833.068	-
Prior years' tax differences	-	236.558
Deferred tax	30.732	(37.057)
Total	2.331.301	539.770

In accordance with the provisions of law 2992/2002, the income tax benefit arising for companies absorbing other business entities, is as follows: a) the absorbing company benefits with a 10percentage points reduction on the tax rate applicable during the first year following the completion of the transition financial statements, and b) with a 5 percentage points reduction on the tax rate applicable during the second year.

In accordance with the provisions of law 3470/2006 article 9, the income tax benefit arising for companies absorbing other business entities is equally deferred from the next three consecutive financial periods, starting from the period during which the transition was completed.

The calculation of the income tax was based on a 24% rate (29% - 5%). The Group has not been audited by the relevant tax authorities for FY2005 and therefore its respective tax obligations have not been finalised. The outcome of the tax audit cannot be foretold at this stage.

8. Earnings per Share

The basic and diluted earnings per share are calculated by dividing the profit for the period attributable to shareholders by the weighted average number of ordinary shares outstanding, excluding the weighted average number of treasury shares, of the relevant periods.

	<u>30 June 2006</u>	<u>30 June 2005</u>
Profit for the period attributable to shareholders	20.485.411	3.627.214
Weighted average number of ordinary shares outstanding	45.008.665	14.000.000
Basic and diluted earnings per share	0,46	0,26

9. Dividends

On 14 April 2006 the annual Regular General Meeting of the Shareholders declared a dividend to the holders of the equity instruments totalling to 12.638.049,76 or 0,28 euro per share. The dividend has been made available in cash chargeable by 10.000.000 to profits for the year ended 31 December 2005 and 2.638.050 to the reserve account. The dividend was fully paid on 4 May 2006.

10. Due from banks

	<u>30 June 2006</u>	<u>31 December 2005</u>
Current accounts	6.577.063	7.121.379
Time deposits placed	8.161.543	47.824.814
Total	14.738.606	54.946.193

The decrease on time deposit placed from banks has strongly influenced and is depicted in the "Loans and advances to customers, net" balance sheet item (Note 12).

11. Financial assets at fair value through P&L

	<u>30 June 2006</u>	<u>31 December 2005</u>
Equity instruments	76.025.318	89.751.690
Structured products	40.000.000	-
Treasury bonds	19.761.535	13.002.576
Mutual funds	15.773.465	14.474.762
Total	151.560.318	117.229.028

On 26 June 2006 an interest-bearing security (structured product) was recorded with a nominal value of 40.000.000, an original life-time 20 years and with an initial fixed return on investment of 6% for the first five years (issuer CA CALYON). Thereafter, the bond's return is subject to a numerous economic and market factors which are thoroughly presented and explained in the relevant contractual agreement.

12. Loans and advances to customers

	<u>30 June 2006</u>	<u>31 December 2005</u>
Loans and advances to banking and financial institutions	30.000.000	-
Loans and advances to private sector	37.988.550	41.312.674
Loans and advances to corporate entities	53.862.325	9.841.236
Receivables from brokerage transactions	156.156.447	29.605.209
Loans and advances to customers	278.007.322	80.759.119
Allowances for impairment	(1.045.964)	(590.570)
Total	276.961.358	50.563.340

Claims arising from loans and advances to customers for the period ended 30 June 2005 increased compared to the relevant preceding year ended 31 December 2005, mainly due to:

- a) The granting of a subordinated loan (Tier II Capital) to OMEGA BANK SA, amounting to 30,000,000.00, with an original life-time of 10 years, and
- b) The transfer from OMEGA BANK S.A. non-listed corporate bonds of total nominal value 26.600.000 approximately. According to the relevant contractual agreement, the Bank holds the right (put option) to sell these bonds back to OMEGA BANK S.A. and OMEGA BANK S.A. has the obligation to re-purchase them. It is worthwhile to mention here that PROTON and OMEGA BANK SA are combining business to form a new reporting entity.

13. Due to customers

	<u>30 June 2006</u>	<u>31 December 2005</u>
Current accounts	10.623.755	15.392.148
Time deposits taken	50.761.876	22.911.718
Repos	761.000	-
Escrow accounts	558.857	357.336
Total	62.705.488	38.661.202

14. Contingent liabilities and commitments
14.1 Legal proceedings

The Group, in the normal course of business, has a number of legal proceedings outstanding for the period ended 30 June 2006.

No provision has been made as the management's judgement and estimates indicates that it is unlikely that any significant change in the consolidated total shareholders' equity will occur.

14.2 Letters of Guarantee

The Group, in the normal course of business, has issued a number of letters of guarantee on behalf of its clients totalling to 32.400.000 euros approximately. Besides, the Bank has issued letters of guarantee on behalf of its subsidiary undertakings totalling to 72.400.000 euros approximately; that is, 71.700.000 euros on behalf of PROTON Securities S.A., 234.776 euros of PROTON Asset Management SA and 500.000 euros of FIRST GLOBAL BROKERS S.A.

For the issuing of letters of guarantee to third parties a standard process of approval of the credit limit exists where the Group's policy is to obtain collateral. Nevertheless, letters of guarantees on behalf of the subsidiary undertakings are not subject to credit assessments and collaterals.

15. Related party transactions

The Group enters into a number of banking transactions with related parties in the normal course of business. These transactions are carried out on commercial terms and at market rates where approval of the managing boards is a prerequisite.

The volumes of related-party transactions, outstanding balances at the period end, and relating expense and income are as follows:

	Directors & key management personnel	Directors & key management personnel
	<u>30 June 2006</u>	<u>31 December 2005</u>
Loans and advances	3.281.469	11.854.113
Deposits	1.426.094	1.533.103
	<u>30 June 2006</u>	<u>30 June 2005</u>
Interest income from loans and advances	28.159	383.344
Interest expense from deposits	(8.336)	(24.762)
Net fee and commission income	-	877
Other operating expenses	-	-
Personnel costs	(1.241.704)	(379.686)
Letters of guarantee	-	117.000

16. Merger with Omega Bank S.A. and Proton Securities S.A.

On 26 January 2006 the Managing Board of the Bank decided to initiate a business combination with OMEGA BANK S.A. (exchange of equity interest) and PROTON Securities S.A. (parent-subsidiary relationship) where PROTON is the acquirer that obtains control of the other combining entities.

On 22 June 2006 the Draft Merger Contract was signed by the above mentioned combining entities. The proposed exchange ratio of the equity interests between PROTON and OMEGA BANK S.A. is: 1 ordinary share of OMEGA BANK S.A. per 0,9 ordinary shares of the acquirer.

The business combination will occur according to the provisions and articles of Laws 2190/1920, 2166/1993 and 2515/1997 while 31 March 2006 is the date where the transitory financial statements of the combining entities will be prepared. The relative due diligence based on the contractual agreement is expected to be completed within September 2006.

17. Changes in the relative participation of the shareholders

On 30 June 2006 a transaction occurred where 12.638.050 ordinary shares, or 28% of the share capital, of the Bank was acquired by the IRF European Finance Investments LTD, with its headquarters in Bermuda.

The IRF European Finance Investments LTD is a holding company focusing in investing on financial institutions and insurance entities in the European Union, with emphasis in the area of the South-Eastern Europe. Its ordinary shares are listed and traded in the Alternative Investment Market on the London Stock Exchange. As such, the transaction is expected to generate significant benefits and boost stability in the Group's business, thus, aiming at synergies and economies of scope.

18. Changes in the supervisory board

On 30 June 2006, due to some resigns among its members, there was a change in the composition of the Managing Board of the parent where nominations and appointments are in accordance with the existing membership profile.

For a list of all names and key data of all Supervisory Board members, please refer to the following table:

Angeliki Frangou	Chairman, Non-Executive Member
Antonios Athanassoglou	Vice-Chairman, Executive Member
Elias Lianos	Managing Director, Executive Member
George Kintis	Non-Executive Member
George Minettas	Non-Executive Member
Alexandra Stavropoulou	Independent Non-Executive Member
Panagiotis Alexakis	Independent Non-Executive Member

The maximum total term of membership of three years, with a starting date the date of the Extraordinary General Meeting of the Shareholders (i.e. dd 23 September 2005)

19. Subsequent Events

Besides the aforementioned, no significant subsequent events are expected to affect the normal course of business that need further consideration.