



**PROTON BANK SA**

**Condensed Interim Financial Information**

**30 June 2007**

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

The attached condensed interim financial information were approved by the Board of Directors of Proton Bank SA on August 8th, 2007 and they are available in the web site of Proton Bank at [www.proton.gr](http://www.proton.gr)

These condensed interim financial information were translated from the original statutory financial information that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial information, the Greek language financial information will prevail over this document.

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

To the Shareholders of PROTON BANK S.A.

### *Introduction*


We have reviewed the accompanying balance sheet of PROTON BANK S.A. (“the Bank”) as of June 30, 2007 and the related statements of income, changes in equity and cash flows for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the International Financial Reporting Standards that have been adopted by European Union and apply for interim financial information (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

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

**Grant Thornton** 

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Athens, 9 August 2007

The Certified Public  
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**CONDENSED INTERIM INCOME STATEMENT**
*(in thousands of euros)*

	Note	1.1- 30.06.2007	1.1.- 30.6.2006	1.4- 30.06.2007	1.4.- 30.6.2006
Interest and similar income		48.743	3.747	26.732	2.086
Interest expense and similar charges		(28.081)	(1.127)	(16.158)	(769)
<b>Net interest income</b>	6	<b>20.662</b>	<b>2.620</b>	<b>10.574</b>	<b>1.317</b>
Fee and commission income		22.578	6.205	15.866	6.021
Fee and commission expense		(3.545)	(240)	(2.609)	(168)
<b>Net fee and commission income</b>	7	<b>19.033</b>	<b>5.965</b>	<b>13.257</b>	<b>5.853</b>
Dividend income		3.304	1.294	3.300	1.028
Net trading income	8	7.538	15.317	(1.268)	215
Net income from financial instruments designated at fair value	9	2.451	-	494	-
Other operating income		563	209	351	108
<b>Operating income</b>		<b>53.551</b>	<b>25.405</b>	<b>26.708</b>	<b>8.521</b>
Personnel expenses	10	(12.986)	(1.222)	(6.588)	(638)
Other administrative expenses	11	(11.021)	(2.185)	(5.897)	(861)
Depreciation expenses	12	(3.648)	(218)	(1.839)	(89)
Impairment losses on financial and non-financial assets	13	(1.310)	(127)	(287)	-
<b>Total operating expenses</b>		<b>(28.965)</b>	<b>(3.752)</b>	<b>(14.611)</b>	<b>(1.588)</b>
<b>Profit before tax</b>		<b>24.586</b>	<b>21.653</b>	<b>12.097</b>	<b>6.933</b>
Income tax expense	14	(3.491)	(2.075)	(1.780)	(672)
<b>Profit for the period</b>		<b>21.095</b>	<b>19.578</b>	<b>10.317</b>	<b>6.261</b>
<b>Earnings per share</b>					
- Basic and diluted (expressed in € per share)	15	<b>0,34</b>	<b>0,43</b>	<b>0,16</b>	<b>0,13</b>

The notes on pages 8 to 22 are an integral part of these condensed interim financial information

**CONDENSED INTERIM BALANCE SHEET**

<i>(in thousands of euros)</i>	<b>Note</b>	<b><u>30.6.2007</u></b>	<b><u>(as restated) 31.12.2006</u></b>
<b>ASSETS</b>			
Cash and balances with the Central Bank	16	32.311	36.671
Loans and advances to banks	17	262.100	93.394
Loans and receivables	18	1.226.921	947.338
Trading assets		166.114	251.694
Derivative financial instruments		1.161	2.611
Financial assets designated at fair value	19	5.609	-
Investment securities:			
- Held-to-maturity	20	9.651	6.646
- Available-for-sale	20	215.488	30.977
Investments in subsidiaries and associates	21	48.061	47.689
Property, plant and equipment		27.600	26.899
Non-current assets held for sale		174	64
Intangible assets	22,31	104.230	106.691
Other assets	24	<u>55.832</u>	<u>28.035</u>
<b>Total assets</b>		<b><u>2.155.272</u></b>	<b><u>1.578.709</u></b>
<b>LIABILITIES</b>			
Deposits from banks	25	364.818	90.460
Due to customers	26	1.364.032	1.064.599
Trading liabilities	27	1.434	-
Derivative financial instruments		3.299	6.319
Current income tax liabilities		3.074	945
Deferred tax liabilities	23	2.161	1.766
Other liabilities		16.611	13.889
Retirement benefit obligations		<u>947</u>	<u>897</u>
<b>Total liabilities</b>		<b><u>1.756.376</u></b>	<b><u>1.178.875</u></b>
<b>EQUITY</b>			
Share capital		281.450	281.450
Share premium		85.478	85.478
less: Treasury shares	15	(4.249)	-
Other reserves		15.058	14.155
Retained earnings		<u>21.159</u>	<u>18.751</u>
<b>Total equity</b>		<b><u>398.896</u></b>	<b><u>399.834</u></b>
<b>Total equity and liabilities</b>		<b><u>2.155.272</u></b>	<b><u>1.578.709</u></b>

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**
*(in thousands of euros)*

	Share capital	Treasury shares	Share premium	Revaluation reserve	Employee share option plan reserve	Statutory reserve	(restated) Retained earnings/ losses	Total equity
<b>Balance at 1 January 2006</b>	<b>202.660</b>	-	-	<b>34.391</b>	-	<b>214</b>	<b>(2.368)</b>	<b>234.897</b>
- Dividend relating to 2005							(12.638)	(12.638)
- Profit for the period							19.577	19.577
<b>Balance at 30 June 2006</b>	<b>202.660</b>	-	-	<b>34.391</b>	-	<b>214</b>	<b>4.570</b>	<b>241.836</b>
<b>Changes in equity for 1.7.2006-31.12.2006:</b>								
- Cost of acquisition (Omega Bank)	78.771		85.478					164.249
- Capitalization of reserves	19						(19)	-
- Available-for-sale investments: valuation gains/(losses) taken to equity				539				539
- Net change in equity due to merger (Proton Securities)				(21.136)		147	2.169	(18.820)
- Profit for the period							13.074	13.074
<b>Balance at 31 December 2006 as previously reported</b>	<b>281.450</b>	-	<b>85.478</b>	<b>13.794</b>	-	<b>361</b>	<b>19.794</b>	<b>400.878</b>
- Amortization of identifiable intangible assets acquired on acquisition of Omega Bank for the period 1.10-31.12.2006 (Note 32.1.2)							(1.043)	(1.043)
<b>Balance at 31 December 2006 as restated</b>	<b>281.450</b>	-	<b>85.478</b>	<b>13.794</b>	-	<b>361</b>	<b>18.751</b>	<b>399.834</b>
<b>Balance at 1 January 2007</b>	<b>281.450</b>	-	<b>85.478</b>	<b>13.794</b>	-	<b>361</b>	<b>18.751</b>	<b>399.834</b>
-Fair value of employee services					134			134
-Capitalization of reserves						1.135	(1.135)	-
- Purchases/sales of treasury shares		(4.249)						(4.249)
- Dividend relating to 2006							(17.551)	(17.551)
- Available-for-sale investments: valuation gains/(losses) taken to equity				(366)				(366)
- Profit for the period							21.095	21.095
<b>Balance at 30 June 2007</b>	<b>281.450</b>	<b>(4.249)</b>	<b>85.478</b>	<b>13.428</b>	<b>134</b>	<b>1.496</b>	<b>21.159</b>	<b>398.896</b>

**Note:** The tax free reserves at 31.12.2006 of 2.302 thousand euros are included in retained earnings.

The notes on pages 8 to 22 are an integral part of these condensed interim financial information.

**CONDENSED INTERIM CASH FLOW STATEMENT**
*(in thousands of euros)*

	Note	1.1-30.6.2007	1.1.-30.6.2006
<b>Cash flows from operating activities:</b>		<b>24.586</b>	<b>21.653</b>
Profit before taxation			
Adjustments for:			
Add: impairment losses on financial assets		1.310	127
Add: depreciation expense		3.648	218
Add: provisions for retirement benefits		407	11
Add: Fair value of employee stock options		134	-
Gains (-)/ losses (+) from revaluation of financial assets at fair value through profit or loss		5.420	(2.189)
Gains (-)/ losses (+) from investment activities		(3.304)	-
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>32.201</b>	<b>19.820</b>
Changes in operating assets and liabilities:			
Net (increase)/decrease in cash and balances with the Central Bank		2.257	-
Net (increase)/decrease in loans and advances to banks		-	43.361
Net (increase)/decrease in loans and receivables		(283.867)	(65.410)
Net (increase)/decrease in financial assets at fair value through profit or loss		72.980	(34.337)
Net (increase)/decrease in other assets		(27.820)	(16.752)
Net increase /(decrease) in deposits from banks		274.357	37.894
Net increase /(decrease) in due to customers		299.493	27.439
Net increase /(decrease) in other liabilities		2.585	703
<b>Net cash flow from operating activities before tax payment</b>		<b>372.125</b>	<b>12.718</b>
<b>Net cash from operating activities</b>		<b>372.125</b>	<b>12.718</b>
<b>Cash flow from investing activities:</b>			
Purchase/proceeds from property, plant and equipment		(1.913)	(68)
Purchase/proceeds from available-for-sale financial assets		(184.401)	(130)
Dividends received		3.289	-
Acquisitions/Disposals of subsidiaries		(730)	-
<b>Net cash used in investing activities</b>		<b>(183.755)</b>	<b>(198)</b>
<b>Cash flow from financing activities:</b>			
Dividend paid		(17.498)	(12.638)
Purchases/sales of treasury shares		(4.249)	-
<b>Net cash from financing activities</b>		<b>(21.747)</b>	<b>(12.638)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>166.623</b>	<b>(118)</b>
<b>Cash and cash equivalents at beginning of period</b>	28	<b>114.699</b>	<b>2.250</b>
<b>Cash and cash equivalents at end of period</b>	28	<b>281.322</b>	<b>2.132</b>

The notes on pages 8 to 22 are an integral part of these condensed interim financial information

## 1 General information

PROTON BANK SA (the Bank) and its subsidiaries (together, the Group) provide retail, investment banking, financial services, portfolio management, insurance and other services. The Bank is established in Greece and has a network of 25 branches. The Group has operations mainly in Greece, Switzerland and Serbia.

The Bank's shares have been listed since December 2005 on the Athens Stock Exchange, and apart from the General Index are included in the FTSE-40 index. The total number of common shares outstanding at 30 June 2007 was 62.192.811.

The number of personnel as of 30 June 2007 was 554.

## 2 Basis of preparation of the condensed interim financial information

The condensed interim financial information have been prepared in accordance with the International Accounting Standard IAS 34 "Interim financial Reporting" and should be read in conjunction with the published annual financial statements of the Bank for the year ended 31 December 2006.

These condensed interim financial information were approved by the Board of Directors on August 8<sup>th</sup>, 2007.

## 3 Significant accounting policies

The principal accounting policies adopted in the preparation of these condensed interim financial information are consistent with those of the annual financial statements of the Bank for the year ended 31 December 2006.

Additionally, the regular way of purchase or sale of financial assets are recognised and derecognised using trade date accounting.

Contracts that require or allow net settlement of the change in the value of the contract are accounted for as derivatives in the period between the trade date and the settlement date.

The Bank's functional currency is the euro and the amounts in the condensed interim financial information are presented in thousands of euros, unless otherwise stated in the relevant notes. Any differences in the tables are due to roundings.

## 4 Comparatives

For the preparation of the condensed interim balance sheet and income statement of the period ended 30 June 2007, comparatives as of 31 December and 30 June 2006 respectively, were used. As described in note 32, the Bank acquired Omega Bank SA and absorbed Proton Securities SA on 29 September 2006. Therefore, the items in the condensed income statement and cash flow statement of this period are not comparable with the respective items of the prior period.

## 5 Segment analysis

<b>Business segment for the period ended 30 June 2007</b>	<b>Investment Banking</b>	<b>Commercial Banking</b>	<b>Total</b>
<b>Revenues</b>	33.070	52.107	85.177
Net income	31.726	21.825	53.551
<b>Segment results</b>	<b>15.341</b>	<b>9.243</b>	<b>24.584</b>
Income tax expense			(3.491)
<b>Profit for the period</b>			<b>21.093</b>

<b>Business segment for the period ended 30 June 2006</b>	<b>Investment Banking</b>	<b>Commercial Banking</b>	<b>Total</b>
<b>Revenues</b>	21.478	5.293	26.771
Net income	21.399	4.007	25.406
<b>Segment results</b>	<b>18.739</b>	<b>2.914</b>	<b>21.653</b>
Income tax expense			(2.075)
<b>Profit for the period</b>			<b>19.578</b>

As mentioned in note 4 revenue and segment results, for the period ended 30 June 2007 and 2006 respectively, are not comparable.

<b>6 Net interest income</b>	<b>1.1.-30.6.2007</b>	<b>1.1.-30.6.2006</b>
<b>Interest and similar income</b>		
Loans and receivables	38.606	2.815
Financial instruments	5.512	434
Loans and advances to banks	3.961	498
Other interest and similar income	664	-
<b>Total</b>	<b>48.743</b>	<b>3.747</b>
<b>Interest expense and similar charges</b>		
Due to customers	(23.950)	(708)
Contributions (Law N.128)	(2.223)	(232)
Other interest and similar expense	(1.859)	(117)
Deposits from banks	(49)	(70)
<b>Total</b>	<b>(28.081)</b>	<b>(1.127)</b>
<b>Net interest income</b>	<b>20.662</b>	<b>2.620</b>
<b>7 Net fee and commission income</b>	<b>1.1.-30.6.2007</b>	<b>1.1.-30.6.2006</b>
<b>Fee and commission income</b>		
Securities brokerage	9.717	5.603
Credit cards	1.067	-
Loans and receivables	1.193	112
Letters of guarantee	437	193
Investment activities	9.411	16
Imports-exports	233	-
Foreign currency transactions	141	-
Remittance	68	7
Asset management	311	274
<b>Total</b>	<b>22.578</b>	<b>6.205</b>
<b>Fee and commission expense</b>		
Securities brokerage	(1.050)	(80)
Commercial banking	(2.495)	(160)
<b>Total</b>	<b>(3.545)</b>	<b>(240)</b>
<b>Net fee and commission income</b>	<b>19.033</b>	<b>5.965</b>

<b>8 Net trading income</b>	<b>1.1.-30.6.2007</b>	<b>1.1.-30.6.2006</b>
<b>Financial assets held for trading:</b>		
Realised gains less losses	15.409	13.637
Derivative financial instruments	(4.920)	(166)
Foreign exchange translation and transaction (gains less losses)	207	(508)
Valuation of securities	(3.158)	2.354
<b>Total</b>	<b>7.538</b>	<b>15.317</b>
 <b>9 Net Income from financial instruments designated at fair value</b>	 <b>1.1.-30.6.2007</b>	 <b>1.1.-30.6.2006</b>
Valuation gains from Bonds (combined financial instruments)	2.451	-
<b>Total</b>	<b>2.451</b>	<b>-</b>
 <b>10 Personnel expenses</b>	 <b>1.1.-30.6.2007</b>	 <b>1.1.-30.6.2006</b>
Salaries	(10.178)	(1.017)
Social security costs	(1.950)	(172)
Pension and retirement costs	(407)	(11)
Employee share option scheme – value of services received	(134)	-
Other employee costs	(317)	(22)
<b>Total</b>	<b>(12.986)</b>	<b>(1.222)</b>
 <b>11 Other administrative expenses</b>	 <b>1.1.-30.6.2007</b>	 <b>1.1.-30.6.2006</b>
Subscriptions and other contributions	(2.259)	(232)
Other expenses	(1.861)	(79)
Third party fees	(1.028)	(894)
Operating lease rentals	(2.024)	(334)
Taxes and duties	(775)	(178)
Maintenance costs	(653)	(78)
Telephone – posting expenses	(604)	(48)
Promotion and advertising expenses	(423)	(188)
Contribution to Hellenic Deposit Guarantee Fund	(798)	-
Consumables	(264)	(18)
Utilities	(167)	(123)
Insurance costs	(165)	(13)
<b>Total</b>	<b>(11.021)</b>	<b>(2.185)</b>
 <b>12 Depreciation and amortization expenses</b>	 <b>1.1.-30.6.2007</b>	 <b>1.1.-30.6.2006</b>
Property, plant and equipment	(1.112)	(190)
Amortization of identifiable intangible assets from acquisitions	(2.086)	-
Other intangible assets	(450)	(28)
<b>Total</b>	<b>(3.648)</b>	<b>(218)</b>
 <b>13 Impairment losses on financial and non-financial assets</b>	 <b>1.1.-30.6.2007</b>	 <b>1.1.-30.6.2006</b>
Loans and receivables	(1.285)	-
Other financial assets	(25)	(127)
<b>Total</b>	<b>(1.310)</b>	<b>(127)</b>

<b>14 Income tax expense</b>	<b>1.1.-30.6.2007</b>	<b>1.1.-30.6.2006</b>
Current tax	(3.094)	(2.050)
Deferred tax	(397)	(25)
<b>Total</b>	<b>(3.491)</b>	<b>(2.075)</b>

The Bank has been reviewed by the tax authorities for the years up to and including 2004. For the un-audited periods a relevant provision has been recognized in accordance with the IFRS's.

The tax rate for Greek legal entities, in accordance with the articles of the Greek tax legislation runs to 29% for the period 2006 and 25% for the period 2007.

The Bank has made use of the tax incentives granted to companies that merge or absorb other entities (Law. 2992/2002), and defined the amount of income tax based on the tax rate in effect , reduced by five (5) percentage points, namely 20% ( as the decrease in the tax rate also for the third year was limited by (5) five percentage points) while the respective tax rate for 2006 was 24%.

Due to the method according to which tax liabilities are settled in Greece, the Group remains contingently liable against any additional taxes or penalties imposed for un-audited periods.

<b>15 Earnings per share</b>	<b>1.1.-30.6.2007</b>	<b>1.1.-30.6.2006</b>
Profit attributable to the equity holders of the Bank	21.095	19.578
Number of ordinary shares outstanding at the beginning of period	62.683.822	45.135.892
Less: Treasury shares held by Proton Bank	(422.011)	-
Treasury shares held by Proton Bank's subsidiaries	(69.000)	-
Number of ordinary shares outstanding at the end of period	62.192.811	45.135.892
Weighted average number of ordinary shares in issue	62.634.783	45.135.892
<b>Basic and diluted earnings per share</b> (expressed in euro per share)	<b>0,34</b>	<b>0,43</b>

Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

Basic and diluted earnings per share remain the same since the effect of the employee share options are antidilutive for the current period and therefore was not considered.

<b>16 Cash and balances with the Central Bank</b>	<b>30.6.2007</b>	<b>31.12.2006</b>
Cheques receivable	11.029	12.018
Cash in hand and items in course of collection	8.193	9.287
<b>Included in cash and cash equivalents</b> (note 28)	<b>19.222</b>	<b>21.305</b>
Mandatory reserve deposits with the Central Bank	13.109	15.366
<b>Total</b>	<b>32.331</b>	<b>36.671</b>

<b>17 Loans and advances to banks</b>	<b>30.6.2007</b>	<b>31.12.2006</b>
Interbank deposits	225.214	47.877
Placements with other banks	36.612	44.140
Cheques receivable	274	1.377
<b>Included in cash and cash equivalents</b> (note 28)	<b>262.100</b>	<b>93.394</b>

<b>18 Loans and receivables</b>	<b>30.6.2007</b>	<b>31.12.2006</b>
<b>Individuals:</b>		
Consumer/personal	72.215	88.372
Mortgages	83.583	51.810
Credit cards	37.559	28.197
<b>Total loans and receivables to individuals</b>	<b>193.357</b>	<b>168.379</b>
<b>Corporate entities:</b>		
Other entities	374.718	328.719
Commercial /insurance	279.423	208.325
Transportation	140.252	93.516
Building /construction	100.439	73.454
Manufacture	95.437	42.373
Services	26.500	36.954
Small industry	13.192	14.957
Agricultural	6.701	5.259
Energy	2.343	2.163
Mining	1.278	1.149
<b>Total loans and receivables to corporate entities</b>	<b>1.040.283</b>	<b>806.869</b>
<b>Finance lease receivables (1)</b>	<b>33.868</b>	<b>11.388</b>
<b>Gross loans and receivables</b>	<b>1.267.508</b>	<b>986.636</b>
<b>Less: allowance for impairment</b>		
<b>Individuals:</b>		
Beginning balance	(16.271)	(138)
Acquisitions (accumulated allowances of Omega Bank)	-	(8.889)
Fair value adjustments of acquired loans (Omega Bank)	-	(8.068)
Impairment charge for the period	(611)	(339)
Write offs	-	1.163
<b>Total allowances for individuals</b>	<b>(16.882)</b>	<b>(16.271)</b>
<b>Corporate entities:</b>		
Beginning balance	(23.027)	(453)
Acquisitions (accumulated allowances of Omega Bank)	-	(21.214)
Fair value adjustments of acquired loans (Omega Bank)	-	(1.900)
Impairment charge for the period	(678)	(456)
Write offs	-	996
<b>Total allowances for corporate entities</b>	<b>(23.705)</b>	<b>(23.027)</b>
<b>Total allowances at 30 June 2007</b>	<b>(40.587)</b>	<b>(39.298)</b>
<b>Net loans and receivables</b>	<b>1.226.921</b>	<b>947.338</b>

The net investment in finance lease contracts on leased equipment was determined as follows:

<b>(1) Finance lease receivables</b>	<b>30.6.2007</b>	<b>31.12.2006</b>
Gross investment in the lease	45.188	17.185
Less: unearned finance income	(11.320)	(5.797)
<b>Net investment in lease at the end of period</b>	<b>33.868</b>	<b>11.388</b>
<b>Present value of minimum lease payments receivable at 30 June 2007 :</b>		
No later than 1 year	4.982	1.143
Later than 1 year and no later than 5 years	16.424	3.734
Later than 5 years	12.462	6.511
<b>Total</b>	<b>33.868</b>	<b>11.388</b>

**19 Financial assets designated at fair value**

	<b>30.6.2007</b>	<b>31.12.2006</b>
Corporate Bonds	5.609	-
<b>Total</b>	<b>5.609</b>	<b>-</b>

The category includes combined financial instruments designated at fair value upon initial recognition that meet the specific requirements of IAS 39.

**20 Securities available-for-sale**

	<b>30.6.2007</b>	<b>31.12.2006</b>
Government bonds	133.705	
Corporate bonds	75.787	28.142
Equity securities	5.636	5.494
Other investments	360	345
	<b>215.488</b>	<b>33.981</b>
less: allowance for impairment	-	(3.004)
<b>Total</b>	<b>215.488</b>	<b>30.977</b>

All available-for-sale securities are carried at fair value.

The movement in the investment securities portfolio had as follows:

	<b>Available for sale</b>	<b>Held to maturity</b>	<b>Total</b>
<b>Balance at 1 January 2007</b>	<b>30.977</b>	<b>6.646</b>	<b>37.623</b>
Additions	184.509	-	184.509
Disposals	(14)	-	(14)
Transfer to other assets due to maturity	(3.004)	-	(3.004)
Transfer of provisions for corporate bonds to other assets	3.004	-	3.004
Other transfers	26	3.000	3.026
Gains/(losses) from changes in fair value	(10)	5	(5)
<b>Balance at 30 June 2007</b>	<b>215.488</b>	<b>9.651</b>	<b>225.139</b>

**21 Investment in subsidiaries and associates**

	<b>30.6.2007</b>	<b>31.12.2006</b>
Investments in subsidiaries	44.667	43.912
Investments in associates	3.394	3.777
<b>Total</b>	<b>48.061</b>	<b>47.689</b>

In the Bank's separate financial information, investments in subsidiaries and associates are carried at fair value according to IAS 39 as available for sale financial assets measured at fair value with changes in fair value recognized in equity.

**21.1 Investments in subsidiaries**
**At 30 June 2007**

<b>Name</b>	<b>Country</b>	<b>Participation %</b>	<b>Carrying amount</b>
Proton Asset Management SA	Greece	99,90%	22.000
Proton Mutual Funds Management Co SA	Greece	99,90%	2.000
First Global Brokers SA AD	Serbia	82,49%	-
Omega Mutual Funds SA	Greece	100,00%	2.283
Omega Insurance Brokers SA	Greece	66,00%	1.458
Proton Insurance SA	Greece	88,96%	16.555
Proton Finance SA	Greece	100,00%	317
Omega Kahn Financial Services SA	Switzerland	80,00%	54
Intellectron Systems SA	Greece	55,64%	-
			<b>44.667</b>

**At 31 December 2006**

<b>Name</b>	<b>Country</b>	<b>Participation %</b>	<b>Carrying amount</b>
Proton Asset Management SA	Greece	99,90%	22.000
Proton Mutual Funds Management Co SA	Greece	99,90%	2.000
First Global Brokers SA AD	Serbia	82,49%	-
Omega Mutual Funds SA	Greece	93,07%	2.125
Omega Insurance Brokers SA	Greece	66,00%	1.458
Proton Insurance SA	Greece	76,85%	15.957
Proton Finance SA	Greece	100,00%	317
Omega Kahn Financial Services SA	Switzerland	80,00%	54
Intellectron Systems SA	Greece	55,64%	-
			<b>43.911</b>

**21.2 Investments in associates**
**At 30 June 2007**

<b>Name</b>	<b>Country</b>	<b>Participation %</b>	<b>Carrying amount</b>
Omega Portfolio Investment Co. SA	Greece	24,65%	<b>3.394</b>

**At 31 December 2006**

<b>Name</b>	<b>Country</b>	<b>Participation %</b>	<b>Carrying amount</b>
Omega Portfolio Investment Co. SA	Greece	24,69%	<b>3.778</b>

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

<b>Balance at 1 January 2007</b>	<b>47.689</b>
Acquisitions of minority interests (Omega Mutual Funds SA)	132
Acquisitions of minority interests (Proton Insurance)	598
Gains from changes in fair value of subsidiary	(7)
Gains from changes in fair value of associate	(347)
Disposals of interests in associate	(4)
<b>Balance at 30 June 2007</b>	<b>48.061</b>

As listed in the Athens stock exchange, "Omega Portfolio Investment Co. SA" has been measured at its market value of 29 June 2007.

**22 Intangible assets**

	Goodwill	Other intangible assets	Software	Total
<b>Balance at 1 January 2007</b>				
Cost	83.965	19.538	5.542	109.045
Accumulated amortization	-	(1.043)	(1.312)	(2.355)
<b>Net book value</b>	<b>83.965</b>	<b>18.495</b>	<b>4.230</b>	<b>106.690</b>
<b>Period ended 30 June 2007</b>				
Opening net book value	83.965	18.495	4.230	106.690
Additions	-	-	74	74
Disposals	-	-	-	-
Amortization charge	-	(2.086)	(448)	(2.534)
<b>Closing net book value</b>	<b>83.965</b>	<b>16.409</b>	<b>3.856</b>	<b>104.230</b>
<b>At 30 June 2007</b>				
Cost	83.965	19.538	5.616	109.119
Accumulated amortization	-	(3.129)	(1.760)	(4.889)
<b>Net book value</b>	<b>83.965</b>	<b>16.409</b>	<b>3.856</b>	<b>104.230</b>
	Goodwill	Other intangible assets	Software	Total
<b>Balance at 1 January 2006</b>				
Cost	-	-	470	470
Accumulated amortization	-	-	(377)	(377)
<b>Net book value</b>	-	-	<b>93</b>	<b>93</b>
<b>Year ended 31 December 2006</b>				
Opening net book value	-	-	93	93
Absorption (Proton Securities SA) - Cost of acquisition	-	-	578	578
Absorption (Proton Securities SA) - Accumulated amortization	-	-	(564)	(564)
Acquisitions (Omega Bank)	98.576	-	4.321	102.897
Additions	-	-	173	173
Amortization charge	-	-	(371)	(371)
<b>Closing net book value</b>	<b>98.576</b>	-	<b>4.230</b>	<b>102.806</b>
<b>At 31 December 2006</b>				
Cost	98.576	-	5.542	104.118
Accumulated amortization	-	-	(1.312)	(1.312)
<b>Net book value as reported</b>	<b>98.576</b>	-	<b>4.230</b>	<b>102.806</b>
-Fair value adjustments due to finalization of initial accounting (note 32)	(14.611)	19.538	-	4.927
-Amortization of identifiable intangible assets acquired on acquisition of Omega Bank for the period 1.10 -31.12.2006 (note 32)	-	(1.043)	-	(1.043)
<b>Net book value as restated</b>	<b>83.965</b>	<b>18.495</b>	<b>4.230</b>	<b>106.690</b>

**22.1 Impairment testing of goodwill**

The goodwill has been created from the acquisition of Omega Bank and refers to the difference between the cost of acquisition and the fair value of the net assets acquired, as described in note 32.

For impairment testing purposes, goodwill is allocated to Cash Generating Units (CGUs) according to business segments.

The allocation of goodwill to Cash Generating Units (CGUs) has as follows (amounts in thousands of euros) :

Commercial Banking	67.350
Investment Banking	16.615
<b>Goodwill</b>	<b>83.965</b>

The first impairment test that has resulted from the acquisition of Omega Bank and its group of companies on 29 September 2006 will be finalized up to 30 September 2007.

	30.6.2007	31.12.2006
<b>23 Deferred tax assets/liabilities</b>		
<b>Deferred tax assets:</b>		
Retirement benefit obligations	237	315
Financial liabilities	202	242
Allowances for impairment losses on loans	1.408	(37)
Derivatives listed on the Athens Derivatives exchange	73	(10)
Staff bonuses	-	257
From tax losses	-	275
Financial assets	18	(6)
Property, plant and equipment	621	118
Accrued interest / commissions on loans	52	(440)
<b>Deferred tax liabilities:</b>		
Finance leases	(669)	(43)
Fair value adjustments on acquired assets (Omega Bank)	(4.103)	(2.437)
<b>Total</b>	<b>(2.161)</b>	<b>(1.766)</b>

The movement in the deferred taxes during the period had as follows:

<b>Balance at 1 January 2007</b>	<b>(1.766)</b>
Retirement benefit obligations	(78)
Financial assets	23
Financial liabilities	(40)
Fair value adjustments on acquired assets (Omega Bank SA)	(1.667)
Allowances for impairment on loans	1.445
Options listed on the Athens Derivatives exchange	84
Loans and receivables – effective interest rate	492
Staff bonuses	(256)
Property, plant & equipment and Intangible assets	503
Finance leases	(626)
Tax loss	(275)
<b>Balance at 30 June 2007</b>	<b>(2.161)</b>

	30.6.2007	31.12.2006
<b>24 Other assets</b>		
Receivables from brokerage	19.438	8
Contributions to Co-Guarantee Fund and Supplementary Fund	8.920	4.430
Other debtors	21.159	10.791
Greek state, prepaid taxes	4.254	3.648
Credit card receivables	1.925	2.095
Bad debts, other than loans and receivables	4.199	1.199
Guarantees	646	7.689
Short term receivables from subsidiaries other than loans	31	125
Advances to third parties	66	50
Receivables from transactions for third parties	59	68
Advances to employees	13	26
	<b>60.710</b>	<b>30.129</b>
Less: allowances for impairment	(4.878)	(2.094)
<b>Total</b>	<b>55.832</b>	<b>28.035</b>

<b>25 Deposits from banks</b>	<b>30.6.2007</b>	<b>31.12.2006</b>
Deposits from other banks	152.588	33.934
Bond repurchase agreements	208.208	56.526
Current accounts	4.019	-
Other liabilities to financial institutions	<u>2</u>	<u>-</u>
<b>Total</b>	<b>364.818</b>	<b>90.460</b>

The total of the repurchase agreements (repos) mature within one month from the balance sheet date .

<b>26 Due to customers</b>	<b>30.6.2007</b>	<b>31.12.2006</b>
<b>Individuals:</b>		
Time deposits	695.882	586.410
Savings accounts	56.206	64.497
Current accounts	<u>6.571</u>	<u>1.122</u>
	<b>758.659</b>	<b>652.029</b>
<b>Corporate entities:</b>		
Current accounts	72.907	80.117
Time deposits:		
- Corporate entities	275.580	148.846
- Other time deposits	75.083	84.401
- Public organizations	-	7.788
- Public corporations	38.258	4.565
Sale and repurchase agreement (repos)	<u>-</u>	<u>920</u>
	<b>461.828</b>	<b>326.637</b>
<b>Blocked deposits</b>	201	29
<b>Pledged deposits</b>	54.736	50.361
<b>Margin accounts</b>	<u>88.608</u>	<u>35.543</u>
<b>Total</b>	<b>1.364.032</b>	<b>1.064.599</b>

<b>27 Trading liabilities</b>	<b>30.6.2007</b>	<b>31.12.2006</b>
Short selling	<u>1.434</u>	<u>-</u>
<b>Total</b>	<b>1.434</b>	<b>-</b>

Trading liabilities represent quoted equity instruments that the Bank intends to buy back in the short term.

<b>28 Cash and cash equivalents</b>	<b>30.6.2007</b>	<b>31.12.2006</b>
Cash and balances with the Central Bank (note 16)	19.222	21.305
Loans and advances to banks (note 17)	<u>262.100</u>	<u>93.394</u>
<b>Total</b>	<b>281.322</b>	<b>114.699</b>

## 29 Dividend per share

The annual Regular General shareholder's Meeting of the Bank on 11 May 2007, approved a dividend amounting to a total of 17.551.470,16 euros (euro 0,28 per share). The dividend was paid on 24 May 2007.

### 30 Contingent liabilities and commitments

#### 30.1 Legal proceedings

There are some receivables and legal actions against the bank in the ordinary course of business. No provision in relation to these claims has been recognized after the consultation with legal counsel, the final sentence judgment and their settlement are not expected to have a material effect on the financial position of the Bank.

#### 30.2 Letters of guarantee/irrevocable letters of credit

The off balance sheet items which represent the Bank's commitment to extend credit to its customers are analyzed as follows:

	30.6.2007	31.12.2006
Letters of guarantee	101.675	84.585
Irrevocable letters of credit	2.037	2.804
<b>Total</b>	<b>103.712</b>	<b>87.389</b>

#### 30.3 Pledged assets

Greek Government bonds with a nominal value of 15.500 thousands of euros, have been assigned to HELEX.

Greek Government bonds with a nominal value of 10.000 thousands of euros, have been assigned to the Bank of Greece.

The rights on bonds issued by Halcyon with a nominal value of 2.500 thousands of euros have been assigned to Hypo Vereinsbank.

The rights on bonds issued by Calyon with a nominal value of 6.000 thousands of euros have been assigned to Calyon Corporate and Investment Bank.

The rights on bonds issued by Dexia with a nominal value of 5.200 thousands of euros, and the rights of Greek Government bonds with a nominal value of 14.000 thousands of euros, have been assigned to Deutsche Bank.

The rights on bonds issued by Dexia with a nominal value of 10.000 thousands of euros have been assigned to E.C.B.

#### 30.4 Capital commitments

As of 30 June 2007, the Bank as a lessor, had signed non cancelable lease agreements for the acquisition of equipment for finance lease purposes amounting to 7.353 thousands of euros for which no payment had been made.

#### 30.5 Share option plan

The Extraordinary General shareholders' Meeting of the Bank on 24 November 2006 approved a share option plan for the members of the Board of Directors, key management, its employees and the Bank's related companies in the form of stock options according to the article 13 of Law 2190/1920 after the proposition of the Board of Directors and the Compensation Committee. The options are conditional on the beneficiaries remaining during the options life under employment or other relationship with the Bank or Group companies (vesting period). The options are exercisable every November starting from the year of the grant and have a contractual option term of three (3) years. The Bank has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding are as follows:

	30.6.2007	31.12.2006
Balance at 1 January	-	-
Granted	4.943.815	-
Exercised	-	-
Lapsed	(46.305)	-
At 30 June 2007	4.897.510	-

Expiry date	Exercise price	30.6.2007	31.12.2006
30.11.2007	10,46	1.632.503	-
30.11.2008	10,46	1.632.503	-
30.11.2009	10,46	1.632.504	-
		4.897.510	-

Share options were granted on 15 June 2007 with an exercise price of 10,46 euro. The fair value of options granted during the period determined using the Black-Scholes valuation model. The significant inputs into the model were: share price at the grant date, the exercise price, option life, volatility of share prices and the risk free rate (swap rate yield curve). Volatility measured at the standard deviation of expected share price returns was based on statistical analysis of daily share prices over the last year.

### 31 Related party transactions

Related parties include: a) Members of the Board of Directors, b) close members of the family and financial dependant of the above c) subsidiaries and associate companies of the Group.

The balances and transactions of the Bank with its related parties are as follow:

#### I. Subsidiaries

	30.6.2007	31.12.2006
<b>Assets</b>		
Loans	10.557	6.123
Other assets (receivables)	<u>216</u>	<u>173</u>
<b>Total</b>	<b>10.773</b>	<b>6.296</b>

#### Liabilities

Deposits	22.199	22.441
Other liabilities	<u>341</u>	<u>-</u>
<b>Total</b>	<b>22.540</b>	<b>22.441</b>

#### Income/Expenses

	30.6.2007	30.6.2006
Interest and similar income	181	145
Interest expense and similar charges	(258)	(74)
Other operating income	199	312
Other operating expenses	<u>(686)</u>	<u>(505)</u>
<b>Total</b>	<b>(564)</b>	<b>(122)</b>

#### Letters of guarantee

1.153 1.036

#### II. Associated companies

	30.6.2007	31.12.2006
<b>Assets</b>		
Other receivables	<u>147</u>	<u>11</u>
<b>Total</b>	<b>147</b>	<b>11</b>

#### Liabilities

Deposits	<u>4.550</u>	<u>6.574</u>
<b>Total</b>	<b>4.550</b>	<b>6.574</b>

#### Income/expenses

	30.6.2007	30.6.2006
Interest expense and similar charges	(98)	-
Other operating income	<u>41</u>	<u>-</u>
<b>Total</b>	<b>(57)</b>	<b>-</b>

#### III. Directors and key management personnel

	30.6.2007	31.12.2006
<b>Assets</b>		
Loans	<u>39.166</u>	<u>6.600</u>
<b>Total</b>	<b>39.166</b>	<b>6.600</b>

#### Liabilities

	30.6.2007	31.12.2006
Deposits	<u>179.217</u>	<u>34.868</u>
<b>Total</b>	<b>179.217</b>	<b>34.868</b>

<b>Letters of guarantee</b>	<b>127</b>	<b>127</b>
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<b>Income/expenses</b>	<b>30.6.2007</b>	<b>30.6.2006</b>
Salaries and other remuneration	(2.063)	(712)
Share options	(81)	-
Interest and similar income	543	28
Interest expense and similar charges	(2.904)	(8)
Other operating expenses	(59)	-
<b>Total</b>	<b>(4.564)</b>	<b>(692)</b>

### 32 Business acquisitions

#### 32.1 Acquisition of Omega Bank SA and Proton Securities SA

##### 32.1.1 Financial effect of acquisition on the acquirer

The acquisition (absorption) of "Omega Bank SA" by the Bank on the date of acquisition resulted in an increase of assets and liabilities by 1.072.864 thousands of euros and 991.979 thousands of 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 31 December 2006 would have been 135.994 thousands of euros and 27.257 thousands of euros respectively.

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

	<b>Book value</b>	<b>Fair value adjustments</b>	<b>Fair value</b>
Cash and balances with the Central Bank	11.169		11.169
Cash and cash equivalents	155.739		155.739
Loans and receivables	772.731	(9.967)	762.764
Trading assets	30.889		30.889
Available-for-sale financial assets	30.661		30.661
Derivative financial instruments (assets)	368		368
Investment in subsidiaries and associates	20.821		20.821
Property, plant and equipment	26.127	(612)	25.515
Intangible assets (software)	4.322		4.322
Intangible asset from customer relationships - Loans	-	13.881	13.881
Intangible asset from customer relationships - Deposits	-	2.458	2.458
Intangible asset from customer relationships – Securities brokerage	-	3.199	3.199
Other assets	11.078		11.078
Deferred tax assets/liabilities	1.056	(2.435)	(1.379)
Deposits from banks	(85.417)		(85.417)
Derivative financial instruments (liabilities)	(2.128)		(2.128)
Due to customers	(897.699)		(897.699)
Other liabilities	(5.059)	513	(4.546)
Retirement benefit obligations	(1.078)	268	(810)
<b>Fair value of net identifiable assets acquired</b>	<b>73.580</b>	<b>7.305</b>	<b>80.885</b>

**(Outflow)/inflow to acquire business:**

- cash consideration (costs directly attributable to the acquisition)	(601)
- cash and cash equivalents acquired	155.739
- eliminations of cash equivalents between Proton Bank and Omega Bank	(23.545)
<b>Net inflow</b>	<b>131.593</b>

The final fair value of the above identifiable assets and liabilities has been determined from discounted cash flow models. The remaining difference that have not been allocated, is included in intangible assets and recognized as goodwill and will be subject to impairment test annually.

The cost of acquisition amounted to 164.850 thousands of euros and was determined by the market value of the Bank'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 attributable to the acquisition	601
<b>Total cost of acquisition</b>	<b>164.850</b>
Fair value of net identifiable assets acquired	(80.885)
<b>Goodwill</b>	<b>83.965</b>

**32.1.2 Adjustments as a result of completing the initial accounting of the cost of acquisition**

The determination of fair values of the identifiable intangible assets acquired on the acquisition of Omega Bank on 30 September 2006, was based on estimates of independent appraisers. However, the appraisal was not finalized by the time the Bank completed its financial statements for the year ended 31 December 2006, and consequently, provisional fair values were recognized.

By the time the Bank prepared its condensed interim financial information for the period ended 30 June 2007, the appraisal was finalized.

IFRS 3 Business Combinations, requires adjustments to be made to the initial accounting for a business combination after that initial accounting is complete only to correct an error in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

IAS 8 requires the correction of an error (fair value adjustment) to be accounted for retrospectively, and for the financial information to be presented as if the error (fair value adjustment) had never occurred by correcting the error in the comparative information for the periods presented.

According to the results of the appraisal, the Bank recognized the following intangible assets at their fair values at the acquisition date:

	(amounts in thousands of euros)
• Intangible asset from customer relationships - Loans	13.881
• Intangible asset from customer relationships - Deposits	2.458
• Intangible asset from customer relationships – Securities brokerage	3.199
<b>Total</b>	<b>19.538</b>

Additionally, the above fair values the Bank recognized amortization amounting to 1.043 thousand euros relating to the period ended 31 December 2006 by restating the opening balance of retained earnings. The effect of the above restatement on the annual financial statements of 2006 is presented below:

	(amounts in thousands of euros)
• (increase) in amortization expense	(1.043)
• (decrease) in profit	(1.043)
• (decrease) in basic earnings per share	(0,05)
• (decrease) in intangible assets, net book value	(1.043)

Against the fair values, the Bank recognized a deferred tax liability amounting to 4.927 thousand euros which increased the goodwill that resulted on the acquisition date.

**32.2 Other acquisitions**

On 31 January 2007, the Bank and the majority shareholders of the insurance company "International Life SA Life Insurance" agreed to the purchase of 51% of the shares of International Life by the Bank in cash. The agreement provides for the purchase price to be equal to 1,55 the book value of International Life as of 31 December 2006 times the percentage to be acquired. Both sides have agreed on the suspension and re-examination of the process at the coming autumn.

**33 Events after the balance sheet date**

Beside the aforesaid, there were no significant events subsequent to the interim balance sheet date which are required to be mentioned.

Athens, August 8<sup>th</sup>, 2007

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