

IRF European Finance Investments Ltd



European Finance Investments

Consolidated Interim Financial Statements for the six-month period ended at 30 June 2008

The accompanying consolidated interim financial statements of IRF European Finance Investments Ltd ("IRF") and its subsidiaries (together "the Group"), for the six-month period ended at 30 June 2008 were approved by the Company's Board of Directors on 4 September 2008.

IRF European Finance Investments Ltd

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IRF European Finance Investments Ltd

Board of Directors

Name	Position
Angeliki Frangou	Chairman, Non – Executive Director
Sheldon Goldman	Deputy Chairman
Loucas Valetopoulos	Chief Executive Officer, Director
Alexander Meraclis	Secretary of the Company
John Karakadas	Non – Executive Director

Statement of Directors' responsibilities in respect of the interim accounts

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law and in accordance with the AIM regulations the directors have elected to prepare financial statements in accordance International Financial Reporting Standards as adopted by the European Union.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1981 of Bermuda. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and

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- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

IRF European Finance Investments Ltd

Report on Review of Interim Financial Information

To the Shareholders of "IRF EUROPEAN FINANCE INVESTMENTS LIMITED"

Introduction

We have reviewed the accompanying interim consolidated balance sheet of "IRF EUROPEAN FINANCE INVESTMENT LTD" (the "Company") and the related interim consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes.

Management is responsible for the preparation and fair presentation of this interim financial statement 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 these interim financial statements 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

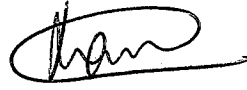
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Athens, 4 September 2008

The Certified Public Accountant Auditor

The Certified Public Accountant Auditor


Vassilis Kazas
SOEL Reg. No 13281


Panagiotis Christopoulos
SOEL Reg. No 28481

 Grant Thornton

Chartered Accountants
Vassileos Konstantinou 44, 116 35 Athens
SOEL Reg. No 127

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CONSOLIDATED INTERIM INCOME STATEMENT

Note	01/01 - 30/06/2008	01/01- 30/06/2007 (as restated)	01/04- 30/06/2008	01/04- 30/06/2007 (as restated)	1/1- 31/12/2007
<i>Amounts presented in € '000</i>					
Interest and similar income	68,801	51,439	34,009	29,021	122,692
Interest and similar expenses	(45,375)	(32,519)	(23,562)	(19,014)	(78,939)
Net interest income	23,426	18,919	10,447	10,007	43,753
Fee and commission income	17,135	22,978	6,707	16,094	43,966
Fee and commission expense	(3,168)	(6,591)	(2,102)	(3,363)	(16,105)
Net fee and commission income	13,967	16,387	4,605	12,731	27,861
Income from insurance	-	409	-	409	-
Expense from insurance services	-	-	-	-	-
Net Income from insurance services	-	409	-	409	-
Dividend income	1,801	15,782	1,798	15,778	16,217
Net trading income	(1,620)	44,472	15,261	26,959	68,421
Net income from financial instruments designated at fair value through profit and loss	7,010	2,451	(415)	2,451	2,263
Gains less losses from investment securities	-	6	-	6	-
Other operating income	1,058	738	587	183	1,480
Total net income	45,641	99,165	32,283	68,525	159,995
Staff costs	(13,791)	(13,683)	(7,368)	(6,932)	(25,136)
Other operating expenses	(11,745)	(14,273)	(6,363)	(8,309)	(25,836)
Impairment of goodwill	(7,720)	-	(7,720)	-	(7,465)
Depreciation	(3,756)	(3,571)	(1,884)	(1,803)	(7,225)
Impairment losses	(3,063)	(1,310)	(3,011)	(287)	(6,981)
Total operating expenses	(40,075)	(32,837)	(26,346)	(17,331)	(72,644)
Share of profit of associates	(761)	208	(158)	187	255
Profit before tax	4,805	66,536	5,778	51,380	87,606
Income tax expense	(1,214)	(3,575)	925	(1,823)	(9,732)
Profit after tax from continuing operations	3,591	62,961	6,703	49,557	77,874
Net profit from discontinued operations	(784)	(448)	(860)	(974)	152
Profit after tax	2,807	62,513	5,843	48,583	78,026
Attributable to:					
Shareholders of the parent	4,596	45,944	11,624	41,070	61,635
Minority interest	(1,789)	16,569	(5,781)	7,513	16,391
Total	2,807	62,513	5,843	48,583	78,026
From continuing and discontinued operations					
- Basic	0.04	0.49	0.09	0.41	0.56
- Diluted	0.04	0.45	0.09	0.37	0.53
From continuing operations					
- Basic	0.04	0.50	0.10	0.43	0.56
- Diluted	0.04	0.46	0.10	0.39	0.53

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The notes on the following pages form an integral part of these consolidated interim financial statements

CONSOLIDATED INTERIM BALANCE SHEET

Amounts presented in € '000	Note	30 June 2008	30 June 2007	31 December 2007
ASSETS				
Cash and balances with Central Bank	6	43,626	32,790	52,796
Loans and advances to financial institutions	7	263,350	476,885	527,410
Trading portfolio and other financial assets at fair value through Profit & Loss	9	243,930	536,304	179,802
Derivative financial instruments		12,578	1,161	11,529
Loans and advances to customers	8	1,316,839	1,216,362	1,368,025
Investment portfolio	10	630,828	225,514	259,944
Investments in associates		2,906	3,831	3,886
Property, plant and equipment		27,341	31,789	27,880
Goodwill and other intangible assets	11	156,799	176,343	166,784
Deferred tax assets		9,834	-	7,098
Other assets	12	39,076	59,420	91,474
		2,747,108	2,760,400	2,696,628
Non current assets held for sale		51,129	55,631	53,727
TOTAL ASSETS		2,798,237	2,816,031	2,750,355
EQUITY AND LIABILITIES				
Due to financial institutions	13	616,856	521,301	433,941
Due to customers	14	1,337,951	1,300,402	1,422,139
Trading liabilities		-	1,434	-
Derivative financial instruments		16,213	3,299	14,570
Issued debt securities		25,261	-	25,283
Retirement benefit obligations		1,399	1,063	1,140
Current income tax liabilities	15	13,853	3,451	10,498
Deferred tax liability		6,511	2,110	6,928
Other borrowed funds		-	115,000	-
Other liabilities	16	34,818	28,752	14,170
		2,052,861	1,976,847	1,928,669
Liabilities directly associated with assets classified as held for sale		43,709	47,495	44,339
Total liabilities		2,096,570	2,024,309	1,973,008
Shareholders' equity				
Share capital	17	147	152	147
Share premium	17	400,443	414,967	400,443
Revaluation reserve		(43,466)	(6)	(2,570)
Other reserves		16,885	16,430	16,587
Retained earnings / (losses)		54,784	56,785	72,491
Total equity attributable to shareholders' of IRF		428,793	488,328	487,099
Minority interest		272,874	303,394	290,248
Total equity		701,667	791,722	777,347
TOTAL LIABILITIES AND EQUITY		2,798,237	2,816,031	2,750,355

The notes on the following pages form an integral part of these consolidated interim financial statements.

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity	Share Capital	Share Premium	Revaluation Reserve	Other Reserves	Retained Earnings / (losses)	Total	Minority Interest	Total
<i>Amounts presented in € '000</i>								
Opening balance as at 1st January 2008	147	400,443	(2,570)	16,587	72,492	487,099	290,248	777,347
Gains/ losses directly recognized in equity:								
- on the valuation of available for sale financial assets	-	-	(40,897)	-	-	(40,897)	(6,145)	(47,042)
- exchange differences on translating foreign operations	-	-	-	-	(2)	(2)	(7)	(9)
Total income/ (loss) recognized directly to equity	-	-	(40,897)	-	(2)	(40,899)	(6,152)	(47,050)
Net result for the period 01/01-30/06/2008	-	-	-	-	4,596	4,596	(1,789)	2,807
Total income/ (loss) recognized for the period	-	-	(40,897)	-	4,594	(36,303)	(7,941)	(44,243)
Equity share options granted to employees	-	-	-	103	-	103	395	498
Dividend relating to 2007	-	-	-	-	(22,105)	(22,105)	(9,829)	(31,935)
Capitalisation to legal reserves	-	-	-	196	(196)	-	-	-
Balance as at 30 June 2008	147	400,443	(43,466)	16,885	54,784	428,793	272,874	701,667

Consolidated Interim Financial Statements
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from the 1st of January to the 30th of June 2008

IRF European Finance Investments Ltd

Amounts presented in € '000

Consolidated Statement of Changes in Equity

Opening balance as at 1st January 2007, as originally published

Restatement due to amortization of intangible assets

Restated Opening Balance as at 1st January 2007

Gains/ losses directly recognized in equity:
- on the valuation of available for sale financial assets
- Exchange differences on translating foreign operation

Total income/(loss) recognized directly to equity

Net result for the period 01/01-30/06/2007

Total income/(loss) recognized for the period

Issue of new shares after the exercise of Warrants

Share issue expenses

Dividend relating to 2006

Participation in share capital increase (Proton Insurance SA)

Acquisition of additional percentage in subsidiary (Proton Bank)

Acquisition of minority interests (Omega Mutual Funds SA)

Fair value of employee services received

Purchases of treasury shares

Capitalization of reserves

Balance as at 30 June 2007

Attributable to shareholders of the Parent Company

	Share Capital	Share Premium	Revaluation Reserve	Other Reserves	Retained Earnings / (losses)	Total	Minority Interest	Total
Opening balance as at 1st January 2007, as originally published	71	200,174	(2)	16,156	22,208	238,607	308,145	546,752
Restatement due to amortization of intangible assets	-	-	-	-	(210)	(210)	(832)	(1,042)
Restated Opening Balance as at 1st January 2007	71	200,174	(2)	16,156	21,998	238,397	307,313	545,710
Gains/ losses directly recognized in equity:								
- on the valuation of available for sale financial assets	-	-	(3)	-	-	(3)	(10)	(13)
- Exchange differences on translating foreign operation	-	-	(1)	-	-	(1)	(6)	(7)
Total income/(loss) recognized directly to equity	-	-	(4)	-	-	(4)	(16)	(20)
Net result for the period 01/01-30/06/2007	-	-	-	-	45,944	45,944	16,569	62,513
Total income/(loss) recognized for the period	-	-	(4)	-	45,944	45,940	16,553	62,493
Issue of new shares after the exercise of Warrants	81	219,080	-	-	-	219,162	-	219,162
Share issue expenses	-	(4,287)	-	-	-	(4,287)	-	(4,287)
Dividend relating to 2006	-	-	-	-	(10,911)	(10,911)	(14,013)	(24,924)
Participation in share capital increase (Proton Insurance SA)	-	-	-	-	-	-	96	96
Acquisition of additional percentage in subsidiary (Proton Bank)	-	-	-	-	-	-	(1,598)	(1,598)
Acquisition of minority interests (Omega Mutual Funds SA)	-	-	-	-	-	-	(132)	(132)
Fair value of employee services received	-	-	-	27	-	27	107	134
Purchases of treasury shares	-	-	-	-	-	-	(4,932)	(4,932)
Capitalization of reserves	-	-	-	247	(247)	-	-	-
Balance as at 30 June 2007	152	414,967	(6)	16,430	56,785	488,328	303,394	791,722

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Consolidated Statement of Changes in Equity

Amounts presented in € '000

Opening balance as at 1st January 2007, as originally published

Restatement due to amortization of intangible assets

Restated Opening Balance as at 1st January 2007

Gains/ losses directly recognized in equity:

- on the valuation of available for sale financial assets

- exchange differences

Net result for the period 01/01-31/12/2007

Total profit / (loss) recognized for the period

Issue of new shares after the exercise of warrants

Expenses related to share capital increase

Dividend relating to 2006

Participation in share capital increase (Proton Insurance SA)

Acquisition of additional percentage in subsidiary (Proton Bank)

Acquisition of minority interests (Omega Mutual Funds SA)

Fair value of employee services received

Purchases of treasury shares

Capitalization of reserves

Balance as at 31 December 2007

Consolidated Statement of Changes in Equity		Attributable to shareholders of the Parent Company						
	Share Capital	Share Premium	Revaluation Reserve	Other Reserves	Retained Earnings / (losses)	Total	Minority Interest	Total
Amounts presented in € '000								
Opening balance as at 1st January 2007, as originally published	71	200,174	(2)	16,156	22,208	238,607	308,145	546,752
	-	-	-	-	(210)	(210)	(832)	(1,043)
Restatement due to amortization of intangible assets								
Restated Opening Balance as at 1st January 2007	71	200,174	(2)	16,156	21,998	238,397	307,313	545,709
Gains/ losses directly recognized in equity:								
- on the valuation of available for sale financial assets	-	-	(2,564)	-	-	(2,564)	(10,018)	(12,582)
- exchange differences	-	-	(3)	-	-	(3)	(11)	(14)
Net result for the period 01/01-31/12/2007	-	-	-	-	61,635	61,635	16,391	78,026
Total profit /(loss) recognized for the period	-	-	(2,567)	-	61,635	59,067	6,362	65,430
Issue of new shares after the exercise of warrants	81	219,080	-	-	-	219,162	-	219,162
Expenses related to share capital increase	-	(4,287)	-	-	-	(4,287)	-	(4,287)
Dividend relating to 2006	-	-	-	-	(10,911)	(10,911)	(14,045)	(24,956)
Participation in share capital increase (Proton Insurance SA)	-	-	-	-	-	-	96	96
Acquisition of additional percentage in subsidiary (Proton Bank)	-	-	-	-	-	-	(1,603)	(1,603)
Acquisition of minority interests (Omega Mutual Funds SA)	-	-	-	-	-	-	(12)	(12)
Fair value of employee services received	-	-	-	200	-	200	783	983
Purchases of treasury shares	(5)	(14,525)	-	-	-	(14,530)	(8,646)	(23,176)
Capitalization of reserves	-	-	-	231	(231)	-	-	-
	77	200,268	-	431	(11,142)	189,634	(23,427)	166,207
Balance as at 31 December 2007	147	400,443	(2,570)	16,586	72,492	487,099	290,248	777,346

Consolidated Interim Financial Statements for the six month period from the 1st of January to the 30th of June 2008

IRF European Finance Investments Ltd

CONSOLIDATED INTERIM CASH FLOW STATEMENT

Amounts presented in € '000

	Note	30 June 2008	30 June 2007	31 December 2007
Cash flows from operating activities				
Profit Before Tax		4,023	66,097	87,777
<i>Adjustments for:</i>				
Add: Depreciation & amortization		3,816	3,638	7,361
Add: Retirement benefit charge		259	430	712
Add: Impairment losses on financial assets		3,063	1,310	6,981
Gains (-) / Losses (+) from investment activities		(5,475)	(14,378)	(7,993)
Share of profit/loss from measurement of financial assets at fair value through Profit & Loss		655	(34,710)	-
Gains (-) / losses (+) from sale of trading securities		-	1,549	4,495
Profit /loss from sale of a.f.s. portfolio at fair value		(11,048)	-	-
Impairment losses on goodwill		7,720	-	7,465
Dividends Received		1,853	-	(12,804)
Fair value employee options		498	134	983
Exchange differences		8,506	1,933	13,812
<i>Cash Flows from operating activities before changes in operating assets and liabilities</i>		13,870	26,003	108,790
Changes in operating assets and liabilities:				
Net (increase) / decrease in trading securities		(61,639)	(255,538)	66,576
Net (increase) / decrease in reserves held in Central Bank		(417)	2,217	9,298
Net (increase) / decrease in loans and advances to customers		44,237	(279,434)	(437,390)
Net (increase) / decrease in insurance receivables		(822)	(4,258)	(2,889)
Net (increase) / decrease in reinsurance receivables		141	(351)	(293)
Net (increase) / decrease in other assets		51,328	(43,474)	(60,152)
Net increase / (decrease) in due to banks		182,915	430,405	327,962
Net increase / (decrease) in due to customers		(84,189)	258,245	379,983
Net increase / (decrease) in provisions for insurance contracts		(840)	2,972	2,001
Net increase / (decrease) in other borrowed funds		-	115,000	-
Net increase / (decrease) in other liabilities		27,532	29,690	(3,404)
<i>Cash flows from operating activities before payment of income tax</i>		172,115	281,478	390,580
Income tax paid		(3,640)	(111)	(189)
Net cash flows from operating activities		168,475	281,367	390,390

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for the six month period
from the 1st of January to the 30th of June 2008

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Amounts presented in € '000

	Note	30 June 2008	30 June 2007	31 December 2007
Cash flows from investing activities				
Portfolio available for sale and held to maturity		3,000	(183,249)	(227,029)
Acquisition of financial assets at fair value through Profit & Loss		-	-	-
Purchases / (proceeds) of tangible & intangible assets		(953)	(1,947)	506
Proceeds from a.f.s. portfolio		(406,066)	-	-
Other Investments		(4)	-	-
Acquisition of subsidiaries and associates			(2,831)	(2,963)
Dividend Received from investment activities		267	399	13,215
Dividends received from financial assets at fair value through P&L		1,073	15,813	3,453
Net cash flow from investing activities		(402,684)	(171,815)	(212,818)
Cash flows from financing activities				
Issuance of common shares due to exercise of warrants		-	214,865	214,874
Issuance of common shares in subsidiaries		(1)	96	245
Dividend paid		(31,863)	(24,870)	(24,919)
Repayments of other borrowed funds		(710)	-	24,671
Interest paid		(2,394)	-	-
Purchases / sales of treasury shares		-	(4,932)	(23,176)
Net cash flow from financing activities		(34,968)	185,168	191,696
Net increase / decrease in cash and cash equivalents		(269,176)	294,719	369,268
Cash and cash equivalents at the beginning of the period		559,372	203,917	203,917
Effect of exchange rate fluctuations on cash and cash equivalents		(8,506)	(1,933)	(13,812)
Cash and cash equivalents at the end of the financial year	18	281,689	496,703	559,372

The notes on the following pages form an integral part of these consolidated interim financial statements

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NOTES TO THE FINANCIAL STATEMENTS

1. General information

Country of incorporation

IRF European Finance Investments Ltd. was incorporated on 8 September 2005 under the Bermuda Companies Act. IRF is listed on AIM, a market operated by the London Stock Exchange plc. IRF's registered office is at Canon's Court 22 Victoria Street, Hamilton HM12, Bermuda.

IRF conducts its business directly and through two wholly-owned subsidiaries, MIMOSA TRADING SA and MYRTLE TRADING COMPANY, duly incorporated under the provisions of the Marshall Islands Business Corporation Act on 06 July 2006. Collectively, these three entities are referred to as the "Company".

Principal activities

The Group, through all of its subsidiaries, is engaged in the provision of banking, financial and insurance services.

IRF was formed to invest in the financial services industry throughout Europe with a primary focus on credit institutions and insurance companies in South Eastern Europe. In June 2006, IRF completed its acquisition of a controlling interest in PROTON BANK, a Greek bank listed on the Athens Stock Exchange. PROTON BANK and its subsidiaries operate in the sectors of retail, corporate and investment banking, portfolio management, insurance and other financial services. PROTON BANK is licensed by the Bank of Greece to operate as a financial institution in Greece. PROTON BANK, which is established in Greece and is supervised by the Bank of Greece, operates through a network of 32 branches.

2. Basis of Presentation

Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

Presentation currency

The amounts of the consolidated interim financial statements attached are expressed in thousand Euros, which is the functional currency of the Group.

It should be noted that due to rounding the actual sums and percentages presented in the Consolidated Interim Financial Statements may not exactly be the same as those presented in the Notes to the Financial Statements.

Significant accounting policies

The same accounting policies as for the annual financial statements for the year 2007 have been followed in the preparation of the consolidated interim financial statements.

As from 1 January 2008, the Group has adopted the following new IFRIC which have no significant effect in financial statements:

- a) IFRIC 11, "Group and treasury share transactions"

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b) IFRIC 12, "Service concession arrangements"

c) IFRIC 14: "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

The financial information set out in this interim report does not constitute statutory financial statements pursuant to Section 84 of Bermuda Companies Act 1981. The Group's statutory financial statements for the year ended 31 December 2007 were approved by the shareholders at the annual general meeting at 31.3.2008. The auditor's report on those financial statements was unqualified.

Accounting estimates

The important assumptions made by the Group for the estimation of several accounting measurements alongside the uncertainty affecting these estimates are the same as those adopted during the preparation of the annual financial statements for the financial year ending 31 December 2007.

Comparatives

For the preparation of the condensed consolidated interim balance sheet and income statement of the period ended 30 June 2008, comparatives as of 31 December and 30 June 2007 respectively, were used.

Consolidated Income Statement for the comparative six-month period ended 30 June 2007, has been restated in order to reflect results of discontinued operations (note 20).

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3. Group structure

a) Entities consolidated under full consolidation method

Entities consolidated under full consolidation method at 30 June 2008:

Name	Country	Direct and indirect holding	Relation that dictated the consolidation	Note
IRF EUROPEAN FINANCE INVESTMENTS LIMITED	BERMUDA	Parent		
MIMOSA TRADING SA	MARSHALL ISLANDS	100%	Percentage Ownership	Direct Stake
MYRTLE TRADING COMPANY	MARSHALL ISLANDS	100%	Percentage Ownership	Direct Stake
PROTON BANK GROUP				
PROTON BANK SA	GREECE	20.60%	Control	Direct Stake
FIRST GLOBAL BROKERS SA	SERBIA	16.99%	Control	Indirect stake through "PROTON BANK"
PROTON MUTUAL FUNDS SA	GREECE	20.58%	Control	Indirect stake through "PROTON BANK"
OMEGA INSURANCE BROKERS SA	GREECE	13.60%	Control	Indirect stake through "PROTON BANK"
PROTON INSURANCE SA	GREECE	18.80%	Control	Indirect stake through "PROTON BANK"
INTELLECTRON SYSTEMS SA	GREECE	11.46%	Control	Indirect stake through "PROTON BANK"

Entities consolidated under full consolidation method at 31 December 2007:

Name	Country	Direct and indirect holding	Relation that dictated the consolidation	Note
IRF EUROPEAN FINANCE INVESTMENTS LIMITED	BERMUDA	Parent		
MIMOSA TRADING SA	MARSHALL ISLANDS	100%	Percentage Ownership	Direct Stake
MYRTLE TRADING COMPANY	MARSHALL ISLANDS	100%	Percentage Ownership	Direct Stake
PROTON BANK GROUP				
PROTON BANK SA	GREECE	20.60%	Control	Direct Stake
FIRST GLOBAL BROKERS SA	SERBIA	16.99%	Control	Indirect stake through "PROTON BANK"

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Name	Country	Direct and indirect holding	Relation that dictated the consolidation	Note
PROTON MUTUAL FUNDS SA	GREECE	20.58%	Control	Indirect stake through "PROTON BANK"
OMEGA INSURANCE BROKERS SA	GREECE	13.60%	Control	Indirect stake through "PROTON BANK"
PROTON INSURANCE SA	GREECE	18.80%	Control	Indirect stake through "PROTON BANK"
INTELLECTRON SYSTEMS SA	GREECE	11.46%	Control	Indirect stake through "PROTON BANK"
OMEGA KAHN FINANCIAL SERVICES SA	SWITZERLAND	16.48%	Control	Indirect stake through "PROTON BANK"

Entities consolidated under full consolidation method at 30 June 2007:

Name	Country	Direct and indirect holding	Relation that dictated the consolidation	Note
IRF EUROPEAN FINANCE INVESTMENTS LIMITED	BERMUDA	Parent		
MIMOSA TRADING SA	MARSHALL ISLANDS	100%	Percentage Ownership	Direct Stake
MYRTLE TRADING COMPANY	MARSHALL ISLANDS	100%	Percentage Ownership	Direct Stake
PROTON BANK GROUP				
PROTON BANK SA	GREECE	20.58%	Control	Direct Stake
PROTON ASSET MANAGEMENT CO SA	GREECE	20.56%	Control	Indirect stake through "PROTON BANK"
PROTON MUTUAL FUNDS MGT CO SA	GREECE	20.56%	Control	Indirect stake through "PROTON BANK"
FIRST GLOBAL BROKERS SA AD	SERBIA	16.63%	Control	Indirect stake through "PROTON BANK"
OMEGA MUTUAL FUNDS SA	GREECE	20.58%	Control	Indirect stake through "PROTON BANK"
OMEGA INSURANCE BROKERS SA	GREECE	13.58%	Control	Indirect stake through "PROTON BANK"
PROTON INSURANCE SA	GREECE	18.79%	Control	Indirect stake through "PROTON BANK"
INTELLECTRON SYSTEMS SA	GREECE	11.66%	Control	Indirect stake through "PROTON BANK"
OMEGA KAHN FINANCIAL SERVICES SA	SWITZERLAND	16.46%	Control	Indirect stake through "PROTON BANK"
PROTON FINANCE SA	GREECE	20.58%	Control	Indirect stake through "PROTON BANK"

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b) Entities consolidated under the equity method:

Entities consolidated under the equity method at 30 June 2008:

Name	Country	Participation percentage	Note
OMEGA PORTFOLIO INVESTMENT CO SA	GREECE	6.02%	Indirect stake through "PROTON BANK"

Entities consolidated under the equity method at 31 December 2007:

Name	Country	Participation percentage	Note
OMEGA PORTFOLIO INVESTMENT CO SA	GREECE	6.01%	Indirect stake through "PROTON BANK"

Entities consolidated under the equity method at 30 June 2007:

Name	Country	Participation percentage	Note
OMEGA PORTFOLIO INVESTMENT CO SA	GREECE	5.99%	Indirect stake through "PROTON BANK"

Proton Group

On 29 June 2006, the Company acquired a 28% stake in the share capital of PROTON GROUP, listed on the Athens Stock Exchange. The range of activities of PROTON GROUP covered most of the spectrum of the financial industry. On 29 September 2006, PROTON GROUP acquired, by a share to share exchange, 100% of OMEGA BANK and the new merged entity was renamed as PROTON BANK. Following the merger with OMEGA BANK, the Company owned a 20,16% interest in PROTON BANK. During the nine-month period ended at 30 September 2007, IRF acquired at 28 June 2007, 41,891 shares of PROTON BANK, at 29 June 2007, 220,000 shares and at 3 July 2007 12,000 shares. After the additional acquisitions, IRF owns a 20.60% in PROTON BANK SA.

PROTON BANK is fully consolidated because of the "de facto" power of the Company to control its financial and operating activities. In particular, IRF owns the 20.60% of the voting rights of PROTON while the percentage of voting rights controlled by the Company is increased to 27.14% after taking into consideration the holding of two other shareholders of PROTON who are committed to vote in accordance with IRF's instructions based on an agreement. IRF has already exercised its effective power and appointed six members in the eleven-member Board of Directors of PROTON, including PROTON's chairman.

All other subsidiaries comprising PROTON Group are consolidated because of the indirect, through PROTON BANK, ownership of the majority of their voting rights. The method of consolidation is the Purchase Method. Investment in associates is accounted under the equity method.

Decision to sell "Proton Insurance S.A."

On 28 December 2007, Proton Bank entered into a contractual agreement with the «COMMERCIAL VALUE SOCIETE ANONYME INSURANCE» to transfer 91.29% of the outstanding common shares of the «PROTON SOCIETE ANONYME PROVISION INSURANCE». The sale was accomplished with the contract signed by both parties on 20 March 2008 for a total consideration of 19 million euros. The sale contract will be finalized after receiving the relevant authorization, as it is strictly prescribed by the Commerce Law, by the local authorities, Proton Bank and «COMMERCIAL VALUE SOCIETE ANONYME INSURANCE» have signed a long term exclusive agreement in the bank-assurance activities.

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Omega Kahn Financial Services S.A.

The Bank, during the period, sold its participation to subsidiary Omega Kahn Financial Services S.A. This disposal had a negative effect of € 54 thous. in Profit & Loss account and equity respectively.

Mimosa Trading SA and Myrtle Trading Company

These two wholly owned subsidiaries serve as investment vehicles of the Company. Both subsidiaries are duly incorporated and have filed articles of incorporation under the provisions of the Marshall Islands Business Corporation Act on 6 July 2006.

4. Business segment

The Group has defined the following business segments: Commercial Banking, Investment Banking, Bank assurance and other financial services.

For the six month period ended at 30 June 2008	Retail Banking	Investment Banking	Bank- assurance and other financial services	Group	Discontinued activity	Continuing activity
Profit before tax	8,231	464	(551)	8,144	(644)	8,788
Share of profit of associates	-	(899)	-	(899)	(138)	(761)
Non-allocated expenses				(3,222)	-	(3,222)
Income tax expense				(1,216)	(2)	(1,214)
Profit after tax				2,806	(784)	3,590
Balanced at 30 June 2007						
Profit before tax	9,841	56,938	(928)	65,851	(477)	66,328
Share of profit of associates	-	246	-	246	38	208
Income tax expense				(3,584)	(9)	(3,575)
Profit after tax				62,513	(448)	62,961
Balanced at 31 December 2007						
Profit before tax	4,602	88,634	190	93,426	121	93,305
Share of profit of associates	-	302	-	302	47	255
Non-allocated expenses				(5,778)		(5,778)
Income tax expense				(9,923)	(16)	(9,907)
Profit after tax				78,027	152	77,875

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5. Earnings per share

Amounts presented in €

Basic Earnings per share

	01/01 - 30/06/08	01/01 - 30/06/07	1/1- 31/12/2007
Profit from continuing operations and discontinued operations attributable to the Parent Company's Shareholders	4,596	45,944	61,635
Weighted average number of shares in issue	124,832	93,315	110,751
Basic earnings per Share (€/Share)	0.04	0.49	0.56

Profit from continuing operations attributable to the Parent Company's Shareholders

	5,297	46,392	61,606
Weighted average number of shares in issue	124,832	93,315	110,751
Basic earnings per Share (€/Share)	0.04	0.50	0.56

Diluted Earnings per Share

Net Profit attributable to the Parent Company's Shareholders	4,596	45,944	61,635
Weighted average number of shares	124,832	93,315	110,751
Plus: Shares with no consideration (adjustment in number of shares due to probable exercise of Warrants)	2,329	8,185	4,573
Weighted average number of shares for the purposes of diluted earnings per share	127,162	101,499	115,323
Diluted earnings per Share €/Share)	0.04	0.45	0.53

Net Profit from continuing operations attributable to the Parent Company's Shareholders

	5,379	46,392	61,606
Weighted average number of shares	124,832	93,315	110,751
Plus: Shares with no consideration (adjustment in number of shares due to probable exercise of Warrants)	2,329	8,185	4,573
Weighted average number of shares for the purposes of diluted earnings per share	127,162	101,499	115,323
Diluted earnings per Share €/Share)	0.04	0.46	0.53

The effect of Proton's stock option plan on diluted earnings per share has not been taken into consideration since it is anti-dilutive.

6. Cash and balances with Central Bank

Amounts presented in € '000

	30 June 2008	30 June 2007	31 December 2007
Cash on hand and cash in course of collection	9,690	8,612	34,384
Cheques receivable	27,450	11,029	12,344
Included in cash and cash equivalents	37,141	19,641	46,728
Mandatory reserve deposits with Central Bank	6,485	13,149	6,068
Total	43,626	32,790	52,796

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7. Loans and advances to financial institutions

Amounts presented in € '000

	30 June 2008	30 June 2007	31 December 2007
Deposits placed in other financial institutions	134,159	84,686	356,142
Time deposits	108,218	-	155,133
Restricted balances held in other banks	-	166,711	-
Interbank deposits	-	225,214	-
Cheques receivable	1,948	274	1,053
Total	244,326	476,885	512,327
Placements with other banks (over 90 days)	19,024	0	15,082
Total	263,350	476,885	527,410

8. Loans and advances to customers

Amounts presented in € '000

	30 June 2008	30 June 2007	31 December 2007
Individuals:			
Mortgages	46,415	83,583	48,341
Consumer loans /Loans to individuals	150,443	72,215	159,010
Credit cards	36,849	37,559	37,232
Total loans and receivables to individuals	233,707	193,357	244,584
Corporate entities:			
Agriculture	60,912	6,701	57,847
Mining	1,243	1,278	1,309
Heavy industry	159,605	95,437	113,773
Small industry	13,902	13,192	12,946
Building / Construction	127,215	100,439	139,832
Energy	327	2,343	310
Commercial / Insurance	223,442	268,867	259,391
Transportation	198,209	140,252	205,918
Financial institutions	35,602	-	45,906
Services	25,854	26,500	29,752
Other companies	196,912	374,716	222,280
Total loans and receivables to companies	1,043,222	1,029,724	1,089,263
Finance lease receivables	78,598	33,868	69,858
Total loans and receivables	1,355,526	1,256,949	1,403,705
Less: Allowances for impairment	(38,687)	(40,587)	(35,680)
Total	1,316,839	1,216,362	1,368,025

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9. Trading portfolio and other financial assets at fair value through Profit & Loss

<i>Amounts presented in € '000</i>	30 June 2008	30 June 2007	31 December 2007
Trading assets			
Government bonds	11,718	37,726	23,850
Corporate entities bonds	93,390	62,546	102,942
Mutual funds	8,113	9,431	8,903
Securities	52,003	420,992	38,686
	165,224	530,695	174,381
Other financial assets designated at fair value			
Corporate bonds	78,706	5,609	5,421
Total	243,930	536,304	179,802

10. Investment portfolio

<i>Amounts presented in € '000</i>	30 June 2008	30 June 2007	31 December 2007
Securities held to maturity			
Government bonds	6,661	6,651	6,659
Corporate bonds	-	3,000	3,058
Total	6,661	9,651	9,717
Securities available-for-sale			
Corporate bonds	145,571	76,104	112,339
Government bonds	148,015	133,705	129,805
Equity securities	328,503	5,643	5,991
Mutual fund shares	0	50	0
Other investments	2,079	360	2,092
Total	624,167	215,863	250,227
Total investment portfolio	630,828	225,514	259,944

Securities held to maturity solely include Greek Government Bonds, that are held from the issue date and for which the Group intends to hold until maturity. All available-for-sale securities are carried at fair value.

	30 June 2008	30 June 2007	31 December 2007
Investment in associates			
Investments in associates	2,906	3,831	3,886
Total	2,906	3,831	3,886

In the Bank's separate financial information, investments in 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.

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The Group's interest in associates is analyzed as follows:

At 30 June 2008

Name	Country	% Participation	Assets	Liabilities	Profit	Loss	Carrying value
Omega Portfolio Investment Co, SA	Greece	6.02%	11,842	96	(2,871)	(3,077)	3,349

The carrying value presented above, presents € 2,906 thous. from continuing operations and € 443 thous. from discontinued operations.

At 31 December 2007

Name	Country	% Participation	Assets	Liabilities	Profit	Loss	Carrying value
Omega Portfolio Investment Co, SA	Greece	6.01%	15,824	91	1,523	1,034	3,886

During the six-month period, Proton Bank has acquired additional 2,926 shares of "Omega Portfolio Investment Co, SA" for the amount of approximately € 4,2 thousand.

Investments in associates, in the non-consolidated financial information, are reported in their fair value according to IAS 39 as Available-for-sale financial assets at fair value through equity. Its fair value, as at 30 June 2008, is calculated to € 2,985 thousands euro

11. Goodwill and other intangible assets

<i>Amounts presented in € '000</i>	Goodwill	Other intangible assets	Software	Total
Balance at 1 January 2008				
Cost	157,184	19,538	4,747	181,469
Accumulated amortization, impairment	(7,465)	(5,216)	(2,003)	(14,684)
Net carrying amount	149,719	14,322	2,744	166,785
Period ended 30 June 2008				
Opening net carrying amount	149,719	14,322	2,744	166,785
Transfer in assets held for sale:				
-Cost				
-Accumulated amortization				
Additions			194	194
Write-off, disposals				
-Cost				
-Accumulated amortization				
Amortization charge		(2,086)	(374)	(2,460)
Impairment charge	(7,720)			(7,720)
Closing net carrying amount	141,999	12,236	2,564	156,799
Balance at 30 June 2008				
Cost	157,184	19,538	4,942	181,664
Accumulated amortization, impairment	(15,185)	(7,302)	(2,378)	(24,864)
Net carrying amount	141,999	12,236	2,564	156,799

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<i>Amounts presented in € '000</i>	Goodwill	Other intangible assets	Software	Total
Balance at 01 January 2007				
Cost	168,353	19,349	4,563	192,265
Accumulated amortization	0	(1,106)	(1,312)	(2,290)
Net book value	168,353	18,371	3,251	189,975
Period ended 30 June 2007				
Opening net book value	168,353	18,371	3,251	189,975
Transfer in assets held for sale:				
-Cost	(12,393)	-	-	(12,393)
-Accumulated amortization	-	-	-	-
Additions	1,106	-	74	1,180
Disposals				
Amortization charge		(2,063)	(356)	(2,419)
Closing net book value	157,066	16,308	2,969	176,343
At 30 June 2007				
Cost	157,066	18,371	3,325	178,762
Accumulated amortization	-	(2,063)	(356)	(2,419)
Net book value	157,066	16,308	2,969	176,343
Balance at 1 January 2007				
Cost				
Accumulated amortization		(1,043)	(1,312)	(2,355)
Net carrying amount	168,353	18,495	3,252	190,100
Year ended 31 December 2007				
Opening net carrying amount	168,353	18,495	3,252	190,100
Transfer in assets held for sale:				
-Cost	(12,393)		(126)	(12,519)
-Accumulated amortization			46	46
Additions	1,224		309	1,533
Write-off, disposals				
-Cost			(8)	(8)
-Accumulated amortization			1	1
Amortization charge		(4,173)	(730)	(4,903)
Impairment charge	(7,465)			(7,465)
Closing net carrying amount	149,719	14,322	2,744	166,785
Balance at 31 December 2007				
Cost	157,184	19,538	4,747	181,469
Accumulated amortisation, impairment	(7,465)	(5,216)	(2,003)	(14,684)
Net carrying amount	149,719	14,322	2,744	166,785

"Goodwill and other intangible assets" include business combination differences. The entire amount of goodwill has been allocated, for impairment test purposes, to one group of cash-generating units (CGUs) comprising the banking operations in Greece (Proton Group).

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The Group on 30 June 2008 has reported an impairment loss of € 7,720 thousand being the excess of Proton's carrying amount. The recoverable amount of Proton Group has been determined based on value in use calculations

12. Other assets

Amounts presented in € '000

	30 June 2008	30 June 2007	31 December 2007
Other assets			
Advances to employees	39	68	28
Advances to third parties	75	66	52
Contributions to Co-Guarantee Fund and Supplementary Fund	10,363	9,272	12,640
Guarantee fees	642	654	621
Prepayments to third parties	103	59	139
Brokerage fees receivables	3,701	19,485	15,539
Credit card receivables	1,707	1,925	1,751
Prepaid taxes and other tax advances	13,078	4,977	8,963
Sundry debtors and other receivables	3,689	23,723	17,436
Bad debts (other than loans and receivables)	4,204	4,198	4,206
Receivables from related parties	5	(129)	2
Receivables from foreign stock exchange	6,438	-	4,608
Bond subscriptions	-	-	30,411
	44,043	64,299	96,396
Less: Provisions for losses (impairment) of receivables besides loans	(4,968)	(4,878)	(4,921)
Total	39,076	59,420	91,474

13. Due to financial institutions

Amounts presented in € '000

	30 June 2008	30 June 2007	31 December 2007
Interbank deposits	448,671	152,588	392,371
Sight deposits	1,591	4,019	201
Overdraft facilities from other banks	140,000	156,287	-
Time deposits	11,973		28,864
Short-term loans	0	200	0
Sale and repurchase agreement (REPOS)	14,621	208,207	12,505
Total	616,856	521,301	433,941

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14. Due to customers

Amounts presented in € '000

Individuals

	30 June 2008	30 June 2007	31 December 2007
Savings account	56,968	56,205	57,700
Sight deposits	14,912	6,571	18,175
Time deposits	763,151	695,882	794,343
Deposits under notice	9,891	-	1,738
	844,922	758,658	871,956

Corporate entities:

Sight deposits	79,723	69,525	67,898
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Time deposits

Companies	190,446	217,772	319,249
Public companies	13,909	38,258	5,838
Other time deposits	33,776	75,083	55,694
Sale and repurchase agreement (REPOS)	-	-	986
	317,855	400,638	449,665
Blocked deposits	15,160	201	184
Pledged deposits	54,070	52,297	59,534
Margin accounts	105,944	88,608	40,800
Total	1,337,951	1,300,402	1,422,139

15. Current income tax liabilities

Amounts presented in € '000

	30 June 2008	30 June 2007	31 December 2007
Income tax on taxable profits	12,664	3,451	9,671
Provision of tax liabilities	1,189	-	828
Total	13,853	3,451	10,498

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16. Other liabilities

Amounts presented in € '000

	30 June 2008	30 June 2007	31 December 2007
Withholding taxes arising from salaries	308	424	542
Taxes and duties payable from customers' deposits	461	444	439
Other withholding taxes and duties	132	152	188
Prior year income taxes (from tax audit)	77	1,010	541
Social security contributions	662	642	878
Dividends payable	162	265	95
Salaries payable	760	447	239
Brokerage services securities and derivatives	25,305	10,423	266
Suppliers and other third party liabilities	6,952	11,747	10,983
Other	-	3,199	-
Total	34,818	28,752	14,170

17. Share capital and share premium

During the three month period there has been no moves in share capital and share premium.

	Number of shares	Nominal value (US\$)	Share capital in (US\$)	Share capital	Share premium	Total
Opening balance at 31 December 2007	124,832,394	-	187	147	400,443	400,590
Closing balance at 30 June 2008	124,832,394	-	187	147	400,443	400,590

Authorized share capital

	Preference Shares of US\$0,0001 each			Common Shares of US\$0,0015 each		
	Number	Amount in US\$	Amount in €	Number	Amount in US\$	Amount in €
Authorized at 30 June 2008	2,500,000	250	208	200,000,000	300,000	249,314

Warrants

On 14 November 2005 the Company consummated its initial public offering (the "Offering"). The Company sold 45,833,340 units in the Offering at a price of \$6.00 per Unit. Each Unit consisted of one share of the Company's common stock (the "Common Shares"), and two warrants ("Warrants"). Each Warrant, based on its original terms, entitles the holder to purchase from the Company one share of Common Stock at an exercise price of \$5.00 per share. According to the Offering, the 91,666,680 Warrants become exercisable after the approval of the acquisition of PROTON BANK by the Special Shareholders Meeting on 27 June 2006. All Warrants must be exercised by 14 November 2009 or they will expire.

During 2007, the Company modified the terms of its Warrants to induce the early exercise of these Warrants. Under two Warrant programs, a private program offered to certain qualified investors (the "Private Program") and a subsequent public program offered to all warrant holders (the "Public Program"), IRF temporarily (1) increased the number of Common Shares received upon exercise of a Warrant from one Common Share to 1.20 Common Shares on payment of \$5.00, and (2) permitted the exercise of a Warrant such that the Holder

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received one Common Share in exchange for every 8.75 Warrants surrendered. Warrant holders were able to use one or both methods to convert their Warrants into Common Shares.

As a result of the two programs, a total of \$292,766,845 of gross cash proceeds were raised, and 78,070,139 Warrants were converted. Following the close of the Public Program on 26 April 2007, the total Common Shares and Warrants outstanding were 129,356,204 and 13,596,541, respectively.

18. Cash and cash equivalents – Cash Flow Statement

For the purposes of preparing the Cash Flow Statement of the Group, the short-term placements in other financial institutions, which are either immediately available or available within 90 days, were included in the cash account.

<i>Amounts presented in € '000</i>	30 June 2008	30 June 2007	31 December 2007
Cash and balances with Central Bank	37,141	19,641	46,728
Loans and advances to financial institutions	244,326	476,885	512,327
Assets held for sale	223	177	316
Cash and cash equivalents at the end of the period	281,689	496,703	559,372

19. Related party transactions

19.1 Transactions with associates

<i>Amounts presented in € '000</i>	30 June 2008	30 June 2007	31 December 2007
Assets			
Other receivables	9	156	28
Total	9	156	28
Liabilities			
Deposits	3,934	4,550	5,188
Other liabilities	40	-	18
Total	3,974	4,550	5,206

<i>Amounts presented in € '000</i>	30 June 2008	30 June 2007	31 December 2007
Income/Expenses			
Other operating income	70	146	205
Interest expense and similar charges	(95)	(98)	(193)
Total	(25)	48	12

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19.2 Transactions with management and members of the Board of Directors

<i>Amounts presented in € '000</i>	30 June 2008	30 June 2007	31 December 2007
Assets			
Loans	32,326	39,166	22,467
Other receivables	72	149	195
Total	32,398	39,315	22,662
Liabilities			
Deposits	68,256	137,789	67,775
Bond liabilities	-	-	1,539
Other liabilities	183	1,636	177
Total	68,439	180,853	69,491
Letters of guarantee	1,310	127	18,195
<i>Amounts presented in € '000</i>			
Income / Expenses			
Salaries and other remuneration	(2,458)	(2,581)	(5,224)
Interest and similar income	862	543	1,419
Interest expense and similar charges	(1,326)	(1,994)	(3,120)
Stock option	(344)	(81)	-
Other operating income	674	401	394
Other operating expenses	(139)	(226)	(4,378)
Total	(2,731)	(4,798)	(10,909)

The above figures refer solely to related party transactions of Proton Group except the item of Salaries and other Remuneration in which are also included the Salaries and Remunerations of IRF paid to CEO of the Company amounting to € 50 thousand for the six-month period ended 30 March 2008 and € 50 thousand for the six month period ended 30 June 2007.

The amount of deposits of € 67,353 thousand refers to normal deposits held by PROTON's Directors and Key Management Personnel. The amounts of loans of € 29,488 thousand refer to loans given to PROTON's Directors and Key Management Personnel.

20. Discontinued operations

On 28 December 2007 the Group committed to sale its insurance activities. In particular, Proton Bank entered into a contractual agreement with the «COMMERCIAL VALUE SOCIETE ANONYME INSURANCE» (Proton Insurance) to transfer 91.29% of the outstanding common shares of the «PROTON SOCIETE ANONYME PROVISION INSURANCE».

As a result of the above commitment the Group presented all results and cash flows generated from Proton Insurance as discontinued operations. Moreover, as required by IFRS 5, results and cash flows of the comparative period ended 31 March 2007 have been also restated in order to reflect discontinued operations.

Finally assets and liabilities of Proton Insurance have been classified as "Non current assets held for sale" and "Liabilities associated with assets classified as held for sale" respectively.

Details about results, cash flows, assets and liabilities of Proton Insurance are provided below.

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20.1 Net Profit from discontinued operations

Net profit from discontinued operation is analyzed as follows:

	Six month period		Three month period		
	1/1- 30/6/2008	1/1- 30/6/2007	1/4- 30/6/08	1/4- 30/6/07	1/1- 31/12/2007
<i>Amounts presented in € '000</i>					
Interest and similar income	45	15	10	15	106
Interest and similar expenses	(40)	-	(21)	-	(312)
Net interest income	5	15	(11)	15	(206)
Income from insurance activities	17,251	20,979	7,610	9,033	39,643
Expense from insurance activities	(4,209)	(8,517)	(2,190)	(5,410)	(11,936)
Net Income from insurance activities	13,042	12,462	5,420	3,623	27,707
Net result from financial activities	(504)	224	(70)	152	42
Total Net Income	12,543	12,701	5,339	3,790	27,543
Staff costs	(1,104)	(1,076)	(415)	(569)	(1,969)
Other operating expenses	(1,451)	(1,674)	(723)	(817)	(2,982)
Depreciation	(59)	(67)	(19)	(34)	(136)
Insurance claims	(10,572)	(10,360)	(5,012)	(3,377)	(22,335)
Total operating expenses	(13,186)	(13,178)	(6,169)	(4,797)	(27,422)
Share of profits / (losses) of associates	(138)	38	(29)	34	47
Profit before tax	(781)	(439)	(859)	(973)	168
Income tax expense	(2)	(9)	(1)	(1)	(16)
Profit after tax	(783)	(448)	(860)	(974)	152

20.2 Cash flows from discontinued operations

Cash flows generated from discontinued operations are analyzed as follows:

Amounts presented in € '000

CASH FLOW STATEMENT	1/1- 30/6/2008	1/1- 30/6/2007	1/1- 31/12/2007
Net cash flows from discontinued operating activities	1,028	(4,929)	(5,612)
Net cash flows from discontinued investing activities	44	59	55
Net cash flows from discontinued financing activities	(87)	(2,210)	(908)
Net increase/ (decrease) in cash and cash equivalents from discontinued operations	986	(7,081)	(6,465)

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20.3 Assets held for sale and Liabilities associated with assets classified as held for sale

Amounts presented in € '000

Amounts presented in € '000	30/06/2008	30/06/2007	31/12/2007
Asset of 'Proton Insurance'	50,825	55,457	53,509
Land	148	148	148
Buildings	156	-	70
Shares	-	26	-
Total	51,129	55,631	53,727

Assets of Proton Insurance, after eliminating all balances with the other group companies, are as follows:

ASSETS	30 June 2008
Cash	10
Loans and advances to banks	213
Trading portfolio and other Financial assets at fair value through profit or loss	10,429
Investments in associates	443
Intangible assets	12,469
Property, plant and equipment	2,203
Investment property	50
Insurance receivables	20,432
Reinsurance contracts	1,491
Deferred tax assets	69
Other assets	3,017
Total assets	50,825
LIABILITIES	30 June 2008
Debt securities in issue	1,501
Retirement benefit obligations	275
Provisions for insurance contracts	35,253
Deferred tax liabilities	94
Other liabilities	6,586
Total liabilities	43,709

21. Commitments and contingent liabilities

21.1 Pending litigation

As at 30 June 2008, there were some pending litigations against the Group in connection with its activities. Based on legal advice the Board of Directors believes that there is adequate defense against all claims and it is not probable that the Group will suffer any significant damage. Therefore, no provision has been made in the consolidated interim financial statements regarding these cases.

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21.2 Contingent tax liabilities

Proton Group is subject to Greek tax legislation. Under Greek Law, submitted tax returns are not considered as final and are subject to revision by tax authorities as a result of tax inspection in entities books and records. Tax liabilities are considered as final by statute after the completion of five years from the end of the relevant fiscal year, however it is common that the tax authorities will audit the entity's books and records. The tax authorities commonly seek to disallow expenses on the basis that they are not properly documented or that they do not represent proper business expenses, relying on a substantial degree of subjective judgment on the part of the tax management in order an out-of-court settlement to be reached. In practice, both companies and tax authorities tend to reach an out-of-court settlement at an acceptable level of additional taxes.

Proton Bank has been reviewed by the tax authorities for the years up to and including 2006. The tax audit for the years 2005 and 2006 was completed on 16 November 2007, while the tax liability incurred of € 529 thousands was compensated for by a relevant provision. For the un-audited period (01.01.2007-30.06.2008) a relevant provision has been recognized in accordance with the IFRS's.

The accounting years that have not been inspected yet by the tax authorities for each of the Group's companies are as follows:

Company name	Domicile	Open tax years
IRF European Finance Investments Limited ¹	Bermuda	-
Mimosa Trading SA ¹	Marshall Islands	-
Myrtle Trading Company ¹	Marshall Islands	-
Proton Bank AE	Greece	2007
Proton Mutual Funds Management Co AE	Greece	2005-2007
First Global Brokers SA	Serbia	2002-2007
Intellectron Systems SA	Greece	2001-2007
Omega Brokerage S,A	Greece	2006-2007

Note 1: Not subject to income tax

As a result of the above the Group's respective tax obligations for periods covering one to six accounting years have not been finalized. For the un-audited periods a relevant provision has been recognized in accordance with the IFRS's. The total tax provision amounts to € 1,186 thous. for Proton Bank and € 1,189 for Proton's Bank Group. 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.

21.3 Letters of guarantee / Irrevocable letters of credit

<i>Amounts presented in € '000</i>	30 June 2008	30 June 2007	31 December 2007
Letters of guarantee	109,629	100,522	110,929
Irrevocable letters of credit	1,999	2,037	2,480
Total	111,628	102,559	113,409

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21.4 Pledged assets

1. Greek Government bonds with a nominal value of € 10,500 thousands, have been pledged by HELEX.
2. Greek Government debt securities with a nominal value of € 136,630 thous., a DEXIA bond with a nominal value of € 50,000 thous. and non Greek issued bonds with nominal value of € 46,600 thous. have been pledged by Bank of Greece.

21.5 Subsidiary's share option plan

The Extraordinary General shareholders' Meeting of PROTON 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 years. The Bank has no legal or constructive obligation to repurchase or settle the options in cash.

4,897,510 share options were granted on 15 June 2007 with an exercise price of € 10.46 per share. 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.

If the stock option is fully exercised then the company's shareholding in Proton will be diluted from 20.60% to 19.11%

22. Supplementary information – The Company

IRF was formed to invest in the financial services industry throughout Europe with a primary focus on credit institutions and insurance companies in South Eastern Europe. In 2006, IRF formed two wholly owned subsidiaries in Marshall Islands, Mimosa Trading SA and Myrtle Trading Company, to serve as vehicles for the acquisition of investments in the financial services industry. Assets, liabilities, results and cash flows of these three entities are managed together. Management has prepared proforma financial information, consolidating all items of the three entities and presents them under the term of "Company". According to IAS 27, a parent should consolidate all of its subsidiaries. However, management has prepared this supplementary proforma financial information which does not comply with IAS 27, to present the results and the financial position of the "Company" (the parent and the wholly owned subsidiaries managed together). The financial position and the performance of the "Company", as at 30 June 2008, 31 December 2007 and 30 June 2007 were as follows:

<i>Amounts presented in € '000</i>	30 June 2008	30 June 2007	31 December 2007
ASSETS			
Non current assets			
Investments in subsidiaries	129,514	129,390	129,514
Investment portfolio	322,602	-	-
Total non current assets	452,116	129,390	129,514

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for the six month period
from the 1st of January to the 30th of June 2008

IRF European Finance Investments Ltd

Amounts presented in € '000

	30 June 2008	30 June 2007	31 December 2007
Current assets			
Cash and cash equivalents	138,776	89,498	350,503
Blocked deposits	-	166,711	-
Trading portfolio	-	363,848	-
Other assets	47	12	55
Total current assets	138,823	620,069	350,558
Total assets	590,939	749,459	480,072

SHAREHOLDERS EQUITY

Share capital	147	152	147
Share premium	400,443	414,967	400,443
Revaluation reserve	(39,303)	-	-
Retained earnings	69,386	53,034	76,192
Total equity	430,673	468,153	476,781

LIABILITIES

Current liabilities

Loans to Banks	140,000	271,285	-
Other liabilities	20,266	10,021	3,291
Total current liabilities	160,266	281,306	3,291
Total liabilities	160,266	281,306	3,291

Total equity and liabilities

590,939	749,459	480,072
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Six-month period

Amounts presented in € '000

	01/01- 30/06/2008	01/01- 30/06/2007	01/01- 31/12/2007
Net trading income / (Loss)	10,018	36,901	60,209
Interest income	5,518	3,381	11,897
Dividend Income	3,312	16,343	16,343
Total income	18,848	56,625	88,449
Personnel expenses	(50)	(50)	(100)
Other operating expenses	(219)	(2,659)	(748)
Finance cost	(3,279)	(8,623)	(19,151)
Total expenses	(3,548)	(11,332)	(19,999)
Profit before tax	15,300	45,293	68,451
Less: Income tax	-	-	-
Profit after tax	15,300	45,293	68,451

Earning per Share attributable to the company's shareholders
(€/share)

- Basic	0.12	0.49	0.62
- Diluted	0.12	0.45	0.59

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For the six month period as of 30 June 2008, the "Company" has made the following major investments:

- Acquisition of the total of 60,988,496 shares, which represents approximately 8.16% of the issued share capital of "Marfin Investment Group".

23. Events after 30 June 2008

At 3 July 2008, "Marfin Investment Group" refunded constructive dividends to its shareholders through payment of € 0.38 per share. As a result, the "Company" received the amount of approximately € 21.526 million, for the total of 56,647,438 shares it owned on the record date for such payment.

As of end of July 2008, the "Company" held the total of 70,300,641 shares, which represents approximately 9.41% of the issued share capital of "Marfin Investment Group".

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

Athens, 4 September 2008

Angeliki Frangou

Loucas Valetopoulos

Chairman, Non – Executive Director

Chief Executive Officer, Director