

**EBS Building Society**  
**Half Year Statements**  
**Financial Information for the**  
**Six Month Period Ended 30 June 2007**

# EBS BUILDING SOCIETY

## INCOME STATEMENT

FOR THE SIX MONTH PERIOD ENDED 30th JUNE 2007

	GROUP	
	2007 €m	2006 €m
Net interest income	90.0	66.6
Non interest income	8.2	7.9
	<b>98.2</b>	<b>74.5</b>
Other operating income	2.6	2.3
<b>Total income</b>	<b>100.8</b>	<b>76.8</b>
Total operating expenses	(55.2)	(48.7)
<b>Income before impairment losses</b>	<b>45.6</b>	<b>28.1</b>
Impairment losses on loans and advances	(2.6)	(1.8)
<b>Income before taxation</b>	<b>43.0</b>	<b>26.3</b>
Taxation	(6.4)	(2.5)
<b>Income after taxation</b>	<b>36.6</b>	<b>23.8</b>

# EBS BUILDING SOCIETY

## BALANCE SHEET AS AT 30 JUNE 2007

GROUP			
	Note	30-Jun-2007 €m	31-Dec-2006 €m
<b>ASSETS</b>			
Cash and balances with central banks		261.5	310.3
Central government bills and other eligible bills		21.0	24.0
Derivative financial instruments		71.7	44.3
Available for sale financial assets		3,115.7	2,732.5
Loans and advances to credit institutions		647.4	1,011.8
Loans and advances to customers		15,363.0	14,634.4
Held to maturity financial assets		327.5	260.9
Property, plant and equipment		69.3	68.2
Intangible assets		17.1	16.7
Deferred taxation asset		9.9	9.9
Other assets		174.7	193.0
<b>Total assets</b>		<b>20,078.8</b>	<b>19,306.0</b>
<b>LIABILITIES</b>			
Deposits by credit institutions	3	1,200.5	1,108.1
Customer accounts		10,312.2	10,071.0
Derivative financial instruments		97.4	73.3
Debt securities in issue	3	7,170.5	6,820.6
Current taxation liabilities		22.0	8.6
Deferred taxation liabilities		11.4	11.9
Other liabilities		300.7	278.7
Retirement benefit liabilities		7.9	8.1
Subordinated liabilities		262.9	266.0
		19,385.5	18,646.3
Minority interest		122.8	122.8
Revaluation reserve		24.3	24.3
Available-for-sale reserve		(4.0)	(1.3)
Cashflow hedge reserve		(22.8)	(22.3)
General reserve		573.0	536.2
<b>Total liabilities and reserves</b>		<b>20,078.8</b>	<b>19,306.0</b>

**EBS BUILDING SOCIETY**  
**CASH FLOW STATEMENT**

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2007

	GROUP	
	2007 €m	2006 €m
<b>Cash flows from operating activities</b>		
Income after taxation	36.6	23.8
<i>Adjustments for:</i>		
Depreciation	2.7	2.1
Amortisation of intangibles	2.5	2.8
Impairment of intangibles	(0.4)	0.0
Income tax expense	6.4	2.5
<b>Operating income before changes in working capital and provisions</b>	<b>47.8</b>	<b>31.2</b>
Net increase in loans and advances to credit institutions	(100.0)	(54.6)
Net increase in loans and advances to customers	(728.6)	(1,166.2)
Net decrease in other assets	18.3	36.1
Net increase in deposits from credit institutions	92.4	285.8
Net increase in amounts due to customers	241.2	230.3
Increase in other liabilities	29.3	41.6
Other non cash movements	(6.3)	13.4
<b>Cash generated from operations</b>	<b>(405.9)</b>	<b>(582.4)</b>
Income taxes paid	(1.0)	0.8
<b>Net cash from operating activities</b>	<b>(406.9)</b>	<b>(581.6)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(3.8)	(6.0)
Purchase of intangible assets	(2.4)	(1.9)
Net movement on short term securities	(233.3)	(336.8)
<b>Net cash from investing activities</b>	<b>(239.6)</b>	<b>(344.7)</b>
<b>Cash flows from financing activities</b>		
Net increase in debt securities in issue	349.9	623.1
Decrease in subordinated debt	(3.1)	(4.5)
<b>Net cash from financing activities</b>	<b>346.8</b>	<b>618.6</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(299.7)</b>	<b>(307.7)</b>
Cash and cash equivalents at 1 January	1,793.0	2,076.8
<b>Cash and cash equivalents at 30 June</b>	<b>1,493.3</b>	<b>1,769.1</b>

# EBS BUILDING SOCIETY

## STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2007

	Revaluation Reserve €m	Available for Sale Reserve €m	Cashflow Hedge Reserve €m	General Reserve €m
<b>Group</b>				
<b>At 1 January 2006</b>	<b>18.2</b>	<b>0.6</b>	<b>(2.6)</b>	<b>466.9</b>
Revaluation reserve	-	-	-	-
Available for sale reserve	-	(3.7)	-	-
Cashflow hedge reserve	-	-	(26.1)	-
Income after taxation	-	-	-	23.8
Other	-	-	-	0.2
<b>At 30 June 2006</b>	<b>18.2</b>	<b>(3.1)</b>	<b>(28.7)</b>	<b>490.9</b>
<b>At 1 January 2007</b>	<b>24.3</b>	<b>(1.3)</b>	<b>(22.3)</b>	<b>536.2</b>
Revaluation reserve	-	-	-	-
Available for sale reserve	-	(2.7)	-	-
Cashflow hedge reserve	-	-	(0.5)	-
Income after taxation	-	-	-	36.6
Other	-	-	-	0.2
<b>At 30 June 2007</b>	<b>24.3</b>	<b>(4.0)</b>	<b>(22.8)</b>	<b>573.0</b>

# **EBS BUILDING SOCIETY**

## **NOTES TO THE ACCOUNTS**

### **FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2007**

1. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and issued by the International Accounting Standards Board.
2. The interim profits as reported have been calculated on the same basis as the accounting policies adopted by the Society when preparing its latest statutory accounts for the year ended 31 December 2006.
3. A reclassification was made as of 30 June 2007 and 31 December 2006 for certain instruments from "Deposits by credit institutions" to "Debt securities in issue". This has no measurement impact on the financial statements. The reclassification was made to provide a fairer representation of the characterisation of the underlying liabilities.

# **EBS BUILDING SOCIETY**

## **Independent Review Report to EBS Building Society**

### **Introduction**

We have been instructed by EBS Building Society ('the Society') to review the financial information for the six months ended 30 June 2007 which comprises interim Group Balance Sheet, Group Income Statement, Group Statement of Recognised Income and Expense and Group Cash Flow Statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Society's directors, as a body. Our work has been undertaken so that we might state to the Society's directors those matters we are required to state to them pursuant to our engagement letter dated 7 August 2007, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's directors as a body, for our work, for this report, or for the opinions we have formed.

### **Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with International Financial Reporting Standards as implemented in the European Union and that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

### **Review work performed**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in Ireland and the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing issued by the Auditing Practices Board and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

### **Review conclusion**

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

ERNST & YOUNG  
DUBLIN  
DATE: 5 September 2007