

Athens, November 10, 2005

**PRESS RELEASE**

**NINE MONTH 2005 FINANCIAL FIGURES**

**According to International Financial Reporting Standards (IFRS)**

- **Strong increase in Net Profit by 54% (€385m.)**
- **Dynamic Revenue growth of 25.5% (€1.4bn.)**
- **Fast expansion of Total Loans by 25.5% (€25.7bn.)**
- **Significant improvement of Cost-to-Income Ratio to 46.3%**

Eurobank EFG continued expanding its activities in the nine months of 2005 growing strongly primarily in high-margin sectors, offering high quality services and improving its efficiency. During this period, Eurobank EFG continued to expand faster than the Greek market, enlarging its client base, thus achieving strong performance. Consolidated net profit in 9M 05 soared **54% to €384.9m.** from €250.3m. in the same period last year. Net profit for the third quarter of 2005 reached €160.2m., an increase of 38% over the previous quarter, which is the highest quarterly result of the Bank. Eurobank EFG's profitability stems from organic and sustainable sources, a fact that demonstrates the high earnings' quality and the potential to improve bottom-line results.

In order to widen its presence in the Greek market, as well as in New Europe (South-Easter and Central Europe), the Bank is implementing a plan to expand its network by 65 branches in Greece and by 150 in New Europe by the end of 2006. Of these, 50 new branches will be opened in Poland, where Eurobank EFG will commence retail banking operations through Polbank EFG in the beginning of 2006. These moves enhance the medium-term growth and profitability prospects of the Group, without compromising the 2006 financial targets already set by management. International operations should contribute 30% to consolidated revenues and 20% to consolidated net profit by the end of 2009.

Summary Figures	9M 05	9M 04	Δ%
Total Operating Income (€m)	1,375.6	1,096.4	25.5%
Net Profit (€m.)	384.9	250.3	53.8%
EPS annualised (€)	1.61	1.08	49.1%
ROA after tax	1.38%	1.08%	30 bps
ROE after tax and minorities	23.0%	16.7%	630 bps
Cost-Income	46.3%	51.9%	560 bps

### *Strong Growth of Operations*

The Bank's strong performance in Retail Banking, Corporate Banking, Asset Management and Capital Markets during the nine months of 2005 resulted in the substantial rise of **Total Revenues** by **25.5%** to €1.4bn. from €1.1bn. in the respective period of the previous year. The revenue quality remains very high, with Core Revenues (Net Interest and Total Commission Income) surging by 26.7% to €1.3bn., now accounting for 95.5% of Total Operating Income.

This is based on the strong credit expansion of **25.5%**<sup>1</sup> on a consolidated basis in 9M 05. **Household Lending** (consumer and mortgage loans) rose by 34.8% to €12.2bn., while **Business Lending** grew by 18.1% to €13.5bn. Eurobank EFG expanded its loan balances by 23.3% in Greece, versus a market growth of 16.1% (August 2005).

The strong expansion of the loan portfolio led **Net Interest Income** (NII) up 23.9% to €981m. It is noteworthy that NII in the third quarter of 2005 rose 9.5% on a quarterly basis.

### *Quality of Loan Portfolio*

The quality of the loan book remains high, well above the market average., The total **NPL ratio** stood at 3.1% in the nine months of the current year, with 90.5% of non-performing loans covered by accumulated provisions. Impairment losses in 9M 05 correspond to 1.32% of the average loan portfolio, reflecting the ongoing shift towards retail loans.

### *Asset Management and Fee Generation*

In parallel with credit expansion, **Customer Funds** and **Life Insurance** were also areas of success, with Assets under Management rising by 29.3% y-o-y in 9M 05, an acceleration of the annual growth rate of 16.3% in 1H 05, to €36.1 bn. The strong lending volumes combined with the wealth management and mutual funds business, the integrated service offering to corporate customers, treasury product sales and other branch network activities drove **Banking Fees and Commissions up 35.9% to €287m**. The quarterly increase of banking fees was also noteworthy at 20.4%. This substantial quarterly increase was partly driven by very strong Investment Banking and Capital Markets fees, part of which should not be considered recurring.

### *Efficiency Gains despite the strong expansion*

The dynamic business expansion resulted in a rise of operating expenses by 6.9% in Greece and 12% group-wide. Nevertheless, total operating expenses were marginally lower on a quarterly basis. Cost expansion also reflects the branch network investment in Greece and New Europe and the upgrade of IT infrastructure, as Eurobank EFG replicates its successful business model in New Europe.

The **Cost-to-Income ratio** improved significantly to **42.7%** for domestic activities in 9M 05, from 49.5% in 9M 04, and to **46.3%** for the Group versus 51.9% in 9M 04. This performance ranks Eurobank EFG among the most efficient banks in Europe.

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<sup>1</sup> Gross loans

### *Core Profitability at high levels - Increasing Returns*

Core revenues grew at double the rate of costs, thus leading **Core Profit** (before tax) up by 45.9% to €448m. Furthermore, core profit in the third quarter of 2005 was 39.2% higher on a quarterly basis. The **Return on average Assets** reached **1.38%**, while the **Return on average Equity** improved significantly to **23%**, from 16.7% in the respective period of 2004.

### *Strongly Capitalized*

Eurobank EFG remains strongly capitalized. At the end of September 2005, the **Total BIS Ratio** stood at 11% and the **Tier I Ratio** reached 8.6%. The Bank proceeded with Lower Tier I capital issues of €400m. and €150m. at the end of October 2005, following which the respective ratios stand at 13.2% and 10.8% respectively.

### *Strengthening presence in New Europe*

In line with its strategy for regional expansion in New Europe, Eurobank EFG acquired a stake of 62.3% of Nacionalna Stedionica Banka in Serbia at the end of September 2005. Including EFG Eurobank AD Beograd, Eurobank EFG enjoys a combined market share of 3% through a network of 95 branches in the country.

Furthermore, the Group is expanding its network in New Europe by adding 150 branches until the end of 2006. Of these, 50 branches will be opened in Poland, where Eurobank EFG will commence operations in the beginning of 2006, with focus on retail banking: consumer credit, mortgages and lending to professionals and small businesses - sectors expected grow strongly in the years to come.

The New Europe business profit reached €15.8m. in 9M 05, from €9.4m. in the same period last year, rising substantially by 69%, and contributing 4.1% to consolidated net profit, against 2.8% in 9M 04. Key driver was the strong credit expansion, which reached 75% in 9M 05, with loan balances at €1.5bn.

### *Branch network expansion in Greece*

The branch remains the main contact point with our clients. Aiming to satisfy customers' needs and capture local opportunities, the Bank plans to open 65 new branches by the end of 2006 (30 will be in place until the end of 2005). To attain optimal coverage the network in Greece will reach 370 branches by the end of 2006.

The Bank will also rationalise and consolidate its head office premises in 2006, aiming at cost savings and improved efficiency. Following the initial expense, annual cost savings are expected to reach €4-5m. per year as of 2007.

### *Recent Developments*

Following the recent EGM, the absorption of Greek Progress Fund S.A is at the final stage.

EFG Eurobank Group also announces the change of its corporate brand to “**Eurobank EFG**”. The Group will adopt internationally a new, homogenous brand architecture, to support its significant expansion in New Europe. The legal entity of the Group remains “EFG Eurobank Ergasias S.A.”

Summary Figures (€ m.)	9M 05	9M 04	Δ%	New Europe
Net Interest Income	981.0	791.7	23.9%	94.9
Net fees & Commissions	287.2	211.3	35.9%	53.5
Non banking fees	46.1	34.2	34.8%	0.0
Core Income	1,314.2	1,037.2	26.7%	148.4
Non core income	61.4	59.2	3.7%	0.3
<b>Total Operating Income</b>	<b>1,375.6</b>	<b>1,096.4</b>	<b>25.5%</b>	<b>148.7</b>
Operating Expenses	637.0	568.8	12.0%	113.6
Impairment	228.9	161.3	41.9%	10.1
<b>Core Profit</b>	<b>448.3</b>	<b>307.2</b>	<b>45.9%</b>	<b>24.7</b>
Profit before tax	518.6	370.2	40.1%	25.0
<b>Net Profit</b>	<b>384.9</b>	<b>250.3</b>	<b>53.8%</b>	<b>15.8</b>
Gross Loans	25,663	20,451	25.5%	1,490
Deposits	19,386	18,835	2.9%	1,478
Total Assets	42,465	35,140	20.8%	2,837
Total Equity	2,352	2,033	15.7%	288

Portfolio of Loans (Gross, € m)	9M 05	9M 04	Δ%
Consumer Loans	6,601	5,056	30.5%
Mortgages	5,587	3,984	40.2%
<b>Loans to Households</b>	<b>12,188</b>	<b>9,041</b>	<b>34.8%</b>
Small Business Loans	3,624	2,817	28.7%
Loans to Medium enterprises	5,529	4,765	16.0%
Loans to Corporates	4,321	3,829	12.9%
<b>Business Loans</b>	<b>13,474</b>	<b>11,411</b>	<b>18.1%</b>
<b>Total Gross Loans</b>	<b>25,663</b>	<b>20,451</b>	<b>25.5%</b>

Assets Under Management (€ m)	9M 05	9M 04	Δ%
Deposits & Other liquid funds	20,448	19,668	4.0%
Mutual Funds	7,723	3,007	156.8%
Other investment products	7,914	5,223	51.5%
<b>Total Funds under Management</b>	<b>36,085</b>	<b>27,898</b>	<b>29.3%</b>

Financial Ratios	9M 05	9M 04
Net Interest Margin	3.5%	3.3%
Cost-Income	46.3%	51.9%
NPLs (% of loans)	3.1%	2.8%
NPLs coverage	90.5%	99.4%
Provision Charge (% of loans)	1.32%	1.36%**
Tier I Ratio	8.57%	8.03%*
Total Capital Adequacy	11.00%	9.93%*
ROA after tax	1.38%	1.08%
ROE after tax and minorities	23.0%	16.7%
EPS annualised (€)	1.61	1.08

\* as at 31 Dec. 2004

\*\* as at 30 Jun. 2005