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PRESS RELEASE

EFG Eurobank to be the first Greek bank to announce impact from IFRS transition

- **Reporting under IFRS as of first quarter 2005**
- **Smooth transition to the new standards**
- **Minimal impact on Net Profit**
- **Positive impact on Shareholders' Equity**

EFG Eurobank Ergasias carried out its planned shift in accounting standards, from current Greek Generally Accepted Accounting Principles (GAAP) to International Financial Reporting Standards (IFRS) on January 1st, 2005. The transition incorporates the full implementation and early adoption of IAS 39 in particular, ensuring early compliance with international best practice. This will be fully reflected in the Group's financial reporting with effect from the first quarter 2005, announcement of which is scheduled for May 19.

The shift in reporting standards has no effect on the Group's business strategy and risk management and no effect on management financial targets for 2005 and 2006.

Transition to the new standards has limited impact on EFG Eurobank's financial results. Restatement of 2004 consolidated financial data according to IFRS can be summarized as follows:

- **Shareholders' Equity:** Increase of €162m to **€2,102m**
- **Total Operating Income:** Marginally up by €5m to **€1,489m**
- **Net Profit:** Minimal impact by €28m to **€340m** mostly due to one-off items
- **Total Assets:** Grossed up by €1,107m to **€33,046m**
- **Total Loans:** Restated by €733m to **€21,231m** to include securitised loans

Impact on Shareholders' Equity and Capital Structure

Under IFRS, the Group Shareholders' Equity as at 31.12.2004 amounted to €2,102m, which represents an 8.4% increase compared to Greek GAAP. This overall positive impact mainly derives from the application of IAS 10 on dividends (+€132m) and IFRS 3 on goodwill (+€51m). According to IFRS, dividends are deducted from equity when approved by the Annual General Meeting and not when proposed. Furthermore, goodwill is not written off directly against equity, but is capitalized. Based on the options currently being considered by the Bank of Greece (final directive still pending), the regulatory capital may vary between €2,244m and €2,419m (from €2,344m under Greek GAAP) and the total capital adequacy ratio may vary between 10% and 10.8% (from 10.6% under Greek GAAP).

Impact on Net Profit

Under IFRS, group net profit for 2004 at €340m is marginally lower by €28m. Of these, €16m relate to one-off items (which occur only on transition or outside the ordinary course of business), €9m are due to timing differences (due to income / expenses recognition in different accounting periods) and €3m are due to recurring items (items that occur continuously due to differences in accounting policy). The adjustments are mainly attributable to the expensing in the income statement of the distribution of cash profits to employees (IAS 19), the adoption of the effective interest rate method for loans (IAS 39) and the time value notion on impaired financial assets (IAS 39).

Transition to IFRS bears no change in EFG Eurobank's earnings outlook and financial targets announced in February, summarized below:

Financial Ratios and Targets for 2005

RATIOS	IFRS RESULTS 31.12.2004	TARGETS 2005-2006
Revenue Growth	>20%	Growth to exceed 15% p.a.
Cost / Income	52.1% (49.4% in Greece)	Below 48% by 2006 (46% in Greece)
ROE	16.76%	Exceed 20% by 2006
EPS	€ 1.1	Growth to exceed 23% p.a.
DPS	€ 0.72	Growth to exceed 15% p.a.
Net Profit	€ 340 m	2005: Exceed € 450 m

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