

Athens, October 31, 2006

**NINE MONTH 2006 FINANCIAL RESULTS**

- **Net Profit rises by 27% to €489 m.**
- **Total Loans grow by 25.8%**
- **Strong business growth outside Greece (loans +91.4%)**
- **Strengthening presence in “New Europe” – Network of more than 700 branches and points of sale in 6 countries by year-end**
- **Interim dividend of €0.36 per share, versus €0.30 last year**

Eurobank EFG Group operations continued their rapid development, demonstrating strong growth in Greece and New Europe (Central and SE Europe) in the third quarter of 2006. The Group strengthened its business activities in all market segments, expanded its presence and widened its clientele base both in Greece and in six countries of New Europe, a region of more than 200 million people.

In line with its strategy, Eurobank enhanced its position both in Greece and New Europe. In Greece, Eurobank has established a wide presence through a network of branches and points of sale, which together will reach 470 at the end of 2006. In New Europe, the Eurobank EFG Group is expanding its footprint in six countries (Bulgaria, Romania, Serbia, Poland, Turkey and Ukraine) combining organic growth with selective acquisitions. With a network of more than 700 branches and points of sale outside Greece by year-end and with international investments of €1bn, the Eurobank EFG Group aspires to become a regional force, contributing to economic activity in New Europe countries.

Based on the rapid expansion of Group operations in the fields of Retail and Corporate Clients, Asset Management, and Capital Markets, **Total Assets** exceeded **€50 bn** on a consolidated basis at the end of September 2006, up **18.8%** y-o-y. Accordingly, **consolidated profit** after tax and minorities posted strong growth of **27%** and amounted to **€488.9 m.** over the same period. This robust financial performance renders the full-year target for net profit of at least **€615 m.** achievable and enables the distribution of **interim dividend of €0.36** per share, versus €0.30 last year, an increase of 20%.

Summary Figures	9M 2006	9M 2005	Δ%
Total Assets (€ bn)	50.4	42.5	18.8%
Gross Loans (€ bn)	32.3	25.7	25.8%
Total Deposits (€ bn)	22.4	19.4	15.6%
Total Revenues (€ m.)	1,659	1,375.6	20.6%
Core Profit (€ m.)	506.8	448.3	13.1%
Net Profit after Tax & Minorities (€ m.)	488.9	384.9	27.0%

## ► Loans and Funds under Management

**Group Loans** expanded by **25.8%** to **€32.3 bn** in September 2006, with **Household Lending** (consumer and mortgage loans) growing by 27.8% to €15.6 bn and **Business Lending** rising by 24.1% to €16.7 bn. The expansion of the loan book in **New Europe** was also impressive, as balances rose by **91.4%** y-o-y to **€2.9 bn**. It should be noted that net loan additions outside Greece amounted to €558 m. in the third quarter of 2006, compared to €428 m. in the second quarter and €215 m. in the first quarter of the current year.

Asset quality remained solid, as the total **NPL ratio** was **3.05%** at the end of September 2006, with accumulated provisions covering **88%** of non-performing loans, a ratio which is among the highest in the Greek banking sector. Due to the efficient management of credit risks, provisions as a percentage of avg. net loans receded to 1.19% in the nine months of 2006, from 1.32% last year.

Asset Management results were highly satisfactory, as **Customer Funds under Management** expanded by **15.7%** y-o-y to **€41.8 bn** at the end of September 2006. Total Deposits advanced by 15.6% y-o-y and reached €22.4 bn during the same period. Private Banking and Life Insurance businesses were robust, as customer funds under management expanded by 13.4% y-o-y to €7 bn and by 86.4% to €867 m. respectively.

## ► Revenue Sources

The leading position of Eurobank in the most profitable market segments and the strong business expansion in Retail and Wholesale Banking, Asset Management, Private Banking, Insurance and Capital Markets (Brokerage, Investment Banking and Treasury operations) led to a remarkable increase of **Total Revenues** by **20.6%** to **€1.7 bn** at the end of September 2006. Revenues stemming from New Europe operations accounted for 13.2% of total income, versus 10.8% the respective period of 2005.

Driven by the robust loan portfolio, **Net Interest Income** increased **19.2%** y-o-y to **€1,170 m.** More specifically, net interest income amounted to €411.5 m. in the third quarter of 2006, against €387 m. in the second quarter of the current year, a q-o-q growth of 6.3%. At the same time, the **net interest margin** (net interest income over avg. total assets) remained at **3.3%**.

Spearheaded by strong Capital Markets and Asset Management related fees, **Net fees from Banking Activities** rose by **20.7%** on a comparable basis<sup>1</sup> to €323.1 m., from €267.6 m. a year ago. In particular, fees related to capital markets grew strongly by 73%, from €49.9 m. last year to €86.3 m. in the nine months of 2006, while fees from mutual funds and assets under management advanced by 11.4%, from €102.1 m. to €113.7 m. **Total Fees and Commissions** grew by **16.3%** y-o-y to **€365 m.** the period January - September 2006.

**Core Revenues** grew by **16.8%** y-o-y to **€1.5 bn** at the end of September 2006, contributing 92% to Eurobank's Total Operating Income.

Trading gains from bonds, equities and FX rose to €93.3 m., from €50.9 m. in the nine months of 2005. Overall, trading gains together with dividend income and other operating income

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<sup>1</sup> Deducting €19.6 m. from 9M 05 net fees from banking activities, which are now included in NII and non-core income

amounted to €124.6 m. in the nine months of 2006, compared to €61.4 m. the same period a year ago.

### ► **Cost Growth and Efficiency**

Eurobank EFG Group significantly enhanced the efficiency of its operations. The **Cost-to-Income ratio** for the Greek operations remained below 40% at **39.8%** in the nine months of 2006, from 42.7% the same period of 2005. Including operations in New Europe, the efficiency ratio for the whole Group stood at **46.3%**. This achievement is very important, as the Bank is in an expansion mode and incurs additional costs from the opening of new branches in the domestic market and the region. **Total Expenses** in Greece were up 9.5% y-o-y to €573.1 m., whereas Total Costs including New Europe operations stood at €727.8 m., rising 14.8% y-o-y on a comparable basis<sup>2</sup> in the nine months of 2006.

### ► **Returns**

The **Return on average Assets** reached **1.39%** in the nine months of 2006, from 1.38%, while the **Return on average Equity** improved to **23.5%**, from 23% the respective period of 2005.

### ► **Capital Structure**

Eurobank remained strongly capitalized, with the **Total BIS Ratio** standing at **11.9%** and the **Tier I Ratio** reaching **9.8%** at the end of September 2006. Regulatory Capital amounted to €3.75 bn.

### ► **Developments in New Europe**

Eurobank operations in New Europe continued to expand successfully in the first nine months of 2006. In Romania, the network restructuring continued, with Bancpost aiming to operate 210 branches by end 2006. It is noted that 10 business centres are already servicing corporate clients. At the same time, the Bank continued to outperform the market in loan growth. Bancpost's rating Outlook was revised in September 2006 by Fitch to Positive.

In Bulgaria, Eurobank EFG agreed in September 2006 to acquire 74,26% of DZI Bank, a medium-sized Bulgarian Bank listed in the Bulgarian Stock Exchange. DZI Bank operates a network of 131 branches and 43 micro-branches with ca. 1.300 employees. Eurobank EFG Group is already present in the country through Postbank, with a network of 143 branches and 6 business centres. The Group aims to combine the two Bulgarian entities in the near future, which will create synergies and further strengthen its leading position in the Bulgarian market. The new merged entity will have a network of more than 250 branches with a market share equal or exceeding 10% in Total Assets, Deposits and Loans.

In Serbia, the legal merger between EFG Eurobank A.D. Beograd and Nacionalna Stedionica Banka (NSB) concluded in October 2006 and the new entity was named Eurobank EFG stedionica a.d. Beograd. The legal merger represents the first phase of the full integration plan, which should be finalized in the first quarter of 2007 with the operational merger and network re-branding. The new bank will be able to better meet the needs of its clients through modern

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<sup>2</sup> Excluding expenses in Poland, Turkey and NSB in Serbia which did not exist last year

and tailored products and services according to international business standards, through a network of over 100 branches, employing 1.400 people around the country.

In Poland, results are highly promising, with Polbank EFG loan and deposit balances reaching €73 m. and €74.3 m. respectively at the end of September 2006, in only six months of operations. The bank has a fully operational network of 50 branches, targeting 70 by year end. Polbank EFG continues to bring innovative products and services to the market, gaining clients preference and trust.

In Turkey, the acquisition of Tekfenbank should be completed before year-end, while at the same time EFG Istanbul Securities delivers strong results, with net profit reaching €8.2m. in the nine months of 2006.

Following the acquisition of Universal Bank in Ukraine, Eurobank EFG Group will have established a wide presence in six countries of Central and Southeastern Europe, with a network of more than 700 branches and points of sale and total investments of €1bn.

Summary Figures (€ m.)	9M 2006	9M 2005	Δ%
Net Interest Income	1,169.5	981.0	19.2%
Net fees & Commissions	323.1	287.2	12.5%
Non banking fees	41.9	46.1	-9.1%
Core Income	1,534.5	1,314.2	16.8%
Non core income	124.6	61.4	103.1%
<b>Total Operating Income</b>	<b>1,659.1</b>	<b>1,375.6</b>	<b>20.6%</b>
Operating Expenses	767.7	637.0	20.5%
Impairment losses on loans	260.0	228.9	13.6%
<b>Core Profit</b>	<b>506.8</b>	<b>448.3</b>	<b>13.1%</b>
Profit before tax after minorities	629.5	510.8	23.2%
<b>Net Profit</b>	<b>488.9</b>	<b>384.9</b>	<b>27.0%</b>
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Gross Loans	32,294	25,663	25.8%
Deposits	22,418	19,386	15.6%
Total Assets	50,449	42,465	18.8%
Ordinary Shareholders' Equity	2,651	2,352	12.7%

Portfolio of Loans (Gross, € m)	9M 2006	9M 2005	Δ%
Consumer Loans	7,813	6,601	18.4%
Mortgages	7,761	5,587	38.9%
<b>Loans to Households</b>	<b>15,574</b>	<b>12,188</b>	<b>27.8%</b>
Small Business Loans	4,941	3,624	36.3%
Loans to Medium enterprises	6,801	5,529	23.0%
Loans to Large Corporates	4,978	4,321	15.2%
<b>Business Loans</b>	<b>16,720</b>	<b>13,474</b>	<b>24.1%</b>
<b>Total Gross Loans</b>	<b>32,294</b>	<b>25,663</b>	<b>25.8%</b>

Assets Under Management (€ m)	9M 2006	9M 2005	Δ%
Deposits & Other liquid funds	24,607	20,448	20.3%
Mutual Funds	6,492	7,723	-15.9%
Other investment products	10,659	7,914	34.7%
<b>Total Funds under Management</b>	<b>41,759</b>	<b>36,085</b>	<b>15.7%</b>

Financial Ratios	9M 2006	9M 2005
Net Interest Margin	3.3%	3.5%
Cost-Income	46.3%	46.3%
NPLs (% of loans)	3.05%	3.12%
NPLs coverage	87.8%	90.5%
Provision Charge (% of loans)	1.19%	1.32%
Tier I Ratio	9.8%	8.6%
Total Capital Adequacy	11.9%	11.0%
ROA after tax	1.39%	1.38%
ROE after tax and minorities	23.5%	23.0%
EPS annualised (€)	1.60	1.34

**Eurobank EFG**

EFG EUROBANK ERGASIAS S.A.

Reg. No. 6068/06/B/86/07

**CONSOLIDATED BALANCE SHEET as at 30 September 2006**

	In €million	
	30 Sep 2006	31 Dec 2005
<b>ASSETS</b>		
Cash and balances with central banks	2,217	1,755
Loans and advances to banks	3,518	2,993
Financial instruments at fair-value-through-profit-or-loss	759	1,209
Derivative financial instruments	402	311
Loans and advances to customers	31,433	26,624
Available-for-sale investment securities	10,392	10,024
Investments in associated undertakings	40	35
Intangible assets	170	154
Property, plant and equipment	907	827
Other assets	611	532
<b>TOTAL ASSETS</b>	<b>50,449</b>	<b>44,464</b>
<b>LIABILITIES</b>		
Due to other banks	11,475	10,781
Derivative financial instruments	653	736
Due to customers	22,418	19,255
Liabilities evidenced by paper	11,089	9,153
Other liabilities	1,196	1,140
<b>TOTAL LIABILITIES</b>	<b>46,831</b>	<b>41,065</b>
<b>EQUITY</b>		
Share capital	1,244	1,047
Share premium	194	482
Other reserves	1,213	994
<b>Ordinary shareholders' equity</b>	<b>2,651</b>	<b>2,523</b>
Preferred securities	788	762
<b>Ordinary and Preferred shareholders' equity</b>	<b>3,439</b>	<b>3,285</b>
Minority interest	179	114
<b>Total</b>	<b>3,618</b>	<b>3,399</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,449</b>	<b>44,464</b>

**CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006**

	In €million	
	1 Jan - 30 Sep 2006	1 Jan - 30 Sep 2005
Net interest income	1,169	981
Net banking fee and commission income	323	287
Net insurance income	26	25
Non banking services	16	21
<b>Core Income</b>	<b>1,534</b>	<b>1,314</b>
Dividend income	8	5
Net trading income/(loss)	26	17
Gains less losses from investment securities	67	34
Other operating income	24	5
	125	61
<b>OPERATING INCOME</b>	<b>1,659</b>	<b>1,375</b>
Operating expenses	(768)	(637)
Impairment losses on loans and advances	(260)	(229)
<b>PROFIT FROM OPERATIONS</b>	<b>631</b>	<b>509</b>
Share of results of associates	3	9
<b>PROFIT BEFORE TAX</b>	<b>634</b>	<b>518</b>
Income tax expense	(141)	(128)
<b>PROFIT AFTER TAX</b>	<b>493</b>	<b>390</b>
Minority interest	(4)	(5)
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>489</b>	<b>385</b>
<b>Earnings per share - basic and diluted in euros</b>	<b>1.20</b>	<b>1.00</b>

Athens, 31 October 2006

Notes: 1. The above information is unaudited.  
2. The condensed consolidated financial statements, as stipulated by the Decision 2/396/31.08.2006 of the Board of Directors of the Capital Market Commission, will be published in the press and will be posted to the Bank's website on 3 November 2006.