

Athens, February 16, 2006

FY 2005 FINANCIAL RESULTS

- **Strong increase in Net Profit by 47.4% to €501m. vs. initial target for €450m.**
- **Distribution of €0.90 Dividend Per Share and 2 for 10 bonus shares**
- **Rapid expansion of Total Loans by 25.5% and Funds Under Management by 22.6%**
- **New Target for net profit CAGR of at least 20% for 2006-2008**
- **Target 2006 Net Profit of at least €615m.**

Group Eurobank EFG has delivered financial results well above the initial targets set by Management at the beginning of 2005. Specifically, consolidated net profit increased by 47.4% to €501m., against a target for €450m. This outstanding performance is underpinned by market share gains in major banking segments both in Greece and in New Europe (Southeastern and Central Europe), as well as higher efficiency. Dividends to be distributed to shareholders amount to €286m., or 57.1% of net profit.

The results for the year 2005 were exceptional, as the Group achieved strong growth rates across all sectors of operations. The contribution of Eurobank employees was key to this outstanding performance, as their high level of competence and dedication has resulted in improved efficiency of operations and stronger financial position for the Group.

The high profitability of the Group has enabled Eurobank Board of Directors to propose to the Annual General Meeting of Shareholders the distribution of total dividends of €286m., that is €0.90 per share (including the interim dividend of €0.36). The proposed dividend corresponds to a yield of 3.4% at 2005 year-end share price and represents an increase of 25% against the dividend distributed for FY 2004, which exceeds the target for 15% annual DPS growth. The BoD will also propose to the AGM a 2-for-10 stock bonus.

Having already met all financial targets that were set a year ago (Revenue Growth exceeding 15%, ROE over 20% and Cost to Income Ratio below 48%), Eurobank's Management sets new targets for 2006-2008:

- **Net Profit CAGR of at least 20% for the period 2006-2008**
- **Net Profit at least €615m. in 2006 (+23%)**
- **ROE of 25% by 2008**
- **Cost to Income Ratio of 45% by 2008**

The above financial targets reflect Management's estimates for the positive performance of the Group in the coming years, given the current market conditions in Greece and in the countries of New Europe (Bulgaria, Romania, Serbia, Poland and Turkey). The Group maintains its clear focus on growing strongly and enhancing its regional footprint, and has a target for international operations to contribute 20% of consolidated net profit by the year 2009.

ANALYSIS OF FINANCIAL RESULTS

The successful and accelerated development of operations in Retail and Wholesale Lending, Asset Management and Capital Markets, resulted in consolidated net profit rising by 47.4% to €501m. in 2005.

At the end of 2005, **Total Assets** stood at €44.5bn, rising 34.6%. Balance sheet expansion mainly reflects robust growth in business volumes in Greece and in the region.

LOANS

Specifically, Eurobank increased its market share in Total Loans in Greece by 0.5% in one year to 15.5%, with balances rising by 23.4%, against a market growth of 18.7%. **Household Lending** (consumer and mortgage loans) was the driving force behind Eurobank's fast domestic expansion, rising by 29.6% to €12.2bn. **Business Lending** recorded substantial growth as well, increasing by 18.2% to €13.5bn. Taking into account Loans in New Europe, **Total Loans** on a consolidated basis amounted to **€27.4bn¹**, increasing by **25.5%**.

At the same time, the quality of the loan book remains high, with the total **NPL ratio** standing at 3.02% at the end of 2005, which is among the lowest in the Greek banking sector. Accumulated provisions cover 92% of non-performing loans, safeguarding the Group against future credit risks.

ASSET MANAGEMENT

The Asset Management Business generated strong results in 2005, as **Customer Funds under Management expanded by 22.6%** to €36.9 bn. In particular, Eurobank maintained in 2005 its leading position in the Greek market of Mutual Funds, managing €8.6bn and capturing a market share of 30.6% overall (35.9% excluding money market funds). Eurobank ranked first in Life Insurance in terms of premia production with an estimated market share of 19%. In Private Banking, Eurobank affirmed its leadership, maintaining the #1 position in the Greek market with AUM of €6.3bn, increased by 26% against 2004. Moreover, Eurobank was named "Best Private Bank in Greece" by Euromoney for a second consecutive year.

ANALYSIS OF REVENUES

The strong expansion of the loan portfolio drove **Net Interest Income** up 25.4% to €1.4bn. At the same time, the net interest margin remained above 3%, reflecting the profitable loan mix and efficient management of total assets.

The growing Loans and Funds under Management balances, in conjunction with Capital Markets' operations (Treasury, Equity Brokerage, Investment Banking) resulted in a 26% increase in **Total Net Fees and Commissions** to €420m. Specifically, net fees from banking

¹ Gross loans

activities expanded by 22.8% to €354.6m., while net fees from other activities grew significantly by 46.5% to €65.8m.

Consequently, **Core Revenues** (net interest income and total commission income) advanced by 25.6% to €1.8bn., and account for 96.3% of Total Operating Income.

Non-core revenues, such as trading gains, dividend income and other operating income rose modestly, reaching €68.9m. in 2005, from €61.7m. in 2004, mainly due to the successful positions taken by Treasury and to the positive returns offered by Capital Markets.

As a result, **Total Revenues** climbed **25%** to €1.9bn., from €1.5bn. in 2004. This growth rate significantly exceeds the 15% target set at the beginning of 2005.

ANALYSIS OF EXPENSES

The efficiency ratio of the Group improved substantially in 2005. Specifically, the **Cost-to-Income ratio** fell to **42.7%** for the Greek operations, from 49.2% in 2004, and to **47.9%** including New Europe operations from 51.8% in 2004. This performance is particularly impressive, as it was achieved in a year of investments to upgrade infrastructure and expand the branch network in Greece and New Europe. In 2005, Total **Operating Expenses** were up 6.7% for the Greek operations and 12.3% (on a comparable basis) for the Group.

RETURNS – CAPITAL ADEQUACY

At the end of 2005, the **Return on average Assets** (after tax) reached **1.30%**, from 1.14% in 2004, while the **Return on average Equity** (after tax and minorities) improved significantly to **21.06%**, from 16.8% in 2004.

Furthermore, Eurobank remains strongly capitalized, with the **Total BIS Ratio** standing at 13.5% and the **Tier I Ratio** reaching 10.9% at the end of 2005. Shareholders' Equity amounted to €2.5bn.

FOOTPRINT IN NEW EUROPE

Having recognised early on the strong economic growth potential of the countries of New Europe, Eurobank implements a long-term expansion strategy in this region. Expansion outside Greece continued at a fast pace in 2005. The Group enhanced its presence in Serbia-Montenegro, acquiring 62.3% of Nacionalna Stedionica Banka at the end of September 2005. NSB together with EFG Eurobank Beograd currently operate a network of 97 branches in the country. Furthermore, Eurobank acquired control of HC Istanbul Holding A.S., parent company the brokerage firm HC Istanbul Menkul Degerler A.S., gaining access to the large Turkish market and achieving notable market share gains (from 1.5% to 2.6% at the end-2005) in a short period of time. The Group acquired also the brokerage firm Capital Securities S.A. in Romania.

Investing in infrastructure of operations outside Greece continued in 2005. The products and services offered by our Banks in New Europe were enriched, as new subsidiaries in leasing, factoring and real estate commenced operations. At the same time, the ongoing staff training program resulted in more efficient human resources.

These efforts, in conjunction with the improving macroeconomic conditions of the region, resulted in the rapid expansion of loan balances in New Europe, by 72.4% to €1.7 bn. Operating

income from the Group's activities in New Europe amounted to €210 m. rising 44.4% y-o-y and contributing 11.3% of total operating income.

Eurobank EFG is proceeding with the establishment of a network of 50 branches in Poland in 2006, under the name Polbank EFG. Polbank EFG already opened its first outlets in Warsaw, while the phone banking center Polbank24 also begun operations. Within a month, 15 outlets of Polbank EFG will service clients in Warsaw, Katowice and Poznan. With a population of 38 million, Poland is the most populous country in which Eurobank has presence, and thus offers significant potential for the development of banking activities, particularly in retail banking.

RECOGNITION

The dynamic growth of Eurobank, along with its high quality services offered were recognized through a series of distinctions the Group received in 2005 by the most reputable international and Greek media: **Bank of the Year** by "Global Finance", **Bank of the Year in Greece** by "The Banker", **Best Private Bank in Greece** by "Euromoney", and **No1 Local Custodian** by the "Global Custodian". Moreover, the Bank received the "CSR Award 2005" by the Athens Chamber of Industry & Commerce.

Notes: 1. The above information is unaudited.

2. The audited financial statements for the year ended 31 December 2005, as stipulated by the L.2190/1920 a.135, will be posted to the Bank's website on 28 February 2006. The condensed financial statements, as stipulated by the Ministerial Decree 23861/587/2004, will be published in the press and will be posted to the Bank's website on the same date.

Summary Figures (€m.)	2005	2004	Δ%	New Europe
Net Interest Income	1,371.6	1,093.7	25.4%	148.1
Net fees & Commissions	354.6	288.6	22.8%	51.3
Non banking fees	65.8	44.9	46.5%	0.0
Core Income	1,792.0	1,427.2	25.6%	199.5
Non core income	68.9	61.7	11.7%	10.2
Total Operating Income	1,860.9	1,488.9	25.0%	209.7
Operating Expenses	890.9	771.9	15.4%	185.7
Impairment losses	308.8	223.3	38.3%	15.2
Core Profit	592.2	432.0	37.1%	-1.5
Profit before tax	676.7	499.2	35.6%	8.8
Net Profit (after tax & minorities)	501.1	339.9	47.4%	3.6
Gross Loans	27,385	21,819	25.5%	1,652
Deposits	19,255	18,208	5.8%	1,555
Total Assets	44,464	33,046	34.6%	2,978
Total Equity	2,523	2,102	20.0%	367

Portfolio of Loans (Gross, €m.)	2005	2004	Δ%
Consumer Loans	6,811	5,470	24.5%
Mortgages	6,262	4,383	42.9%
Loans to Households	13,073	9,853	32.7%
Small Business Loans	4,027	3,087	30.5%
Loans to Medium enterprises	5,808	4,881	19.0%
Loans to Corporates	4,477	3,999	12.0%
Business Loans	14,312	11,966	19.6%
Total Gross Loans	27,385	21,819	25.5%

Assets Under Management (€m.)	2005	2004	Δ%
Deposits & Other liquid funds	20,341	19,705	3.2%
Mutual Funds	7,559	5,174	46.1%
Other investment products	8,972	5,185	73.0%
Total Funds under Management	36,872	30,064	22.6%

Financial Ratios	2005	2004
Net Interest Margin	3.5%	3.5%
Cost-Income	47.9%	51.8%
NPLs (% of loans)	3.0%	2.9%
NPLs coverage	92.0%	95.0%
Provision Charge (% of net loans)	1.29%	1.19%
Tier I Ratio	10.94%	8.03%
Total Capital Adequacy	13.54%	9.93%
ROA after tax	1.30%	1.14%
ROE after tax and minorities	21.1%	16.8%
EPS (€)	1.55	1.10

Notes: 1. The above information is unaudited.

2. The audited financial statements for the year ended 31 December 2005, as stipulated by the L.2190/1920 a.135, will be posted to the Bank's website on 28 February 2006. The condensed financial statements, as stipulated by the Ministerial Decree 23861/587/2004, will be published in the press and will be posted to the Bank's website on the same date.

**Eurobank EFG**

EFG EUROBANK ERGASIAS S.A.

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

CONSOLIDATED BALANCE SHEET INFORMATION AS AT 31st December 2005

	In € million	
	31 Dec 2005	31 Dec 2004
ASSETS		
Cash and balances with central banks	1,755	1,510
Loans and advances to banks	2,993	733
Financial instruments at fair-value-through-profit-or-loss	1,209	2,488
Derivative financial instruments	311	255
Loans and advances to customers	26,624	21,231
Available-for-sale investment securities	10,024	5,485
Investments in associated undertakings	35	57
Intangible assets	154	68
Property, plant and equipment	827	741
Other assets	532	478
TOTAL ASSETS	44,464	33,046
LIABILITIES		
Due to other banks	10,781	5,361
Derivative financial instruments	736	625
Due to customers	19,255	18,208
Liabilities evidenced by paper	9,153	5,771
Other liabilities	1,140	901
TOTAL LIABILITIES	41,065	30,866
EQUITY		
Share capital	1,047	926
Share premium	482	501
Other reserves	994	675
Ordinary shareholders' equity	2,523	2,102
Preferred securities	762	-
Minority interest	114	78
Total	3,399	2,180
TOTAL EQUITY AND LIABILITIES	44,464	33,046

CONSOLIDATED INCOME STATEMENT INFORMATION

for the year ended 31 December 2005

	In € million	
	1 Jan - 31 Dec 2005	1 Jan - 31 Dec 2004
Net interest income	1,372	1,094
Net banking fee and commission income	354	288
Net insurance Income	36	18
Non banking services	30	27
Core Income	1,792	1,427
Dividend income	4	8
Net trading income/(loss)	20	12
Gains less losses from investment securities	37	40
Other operating income	7	2
	68	62
OPERATING INCOME	1,860	1,489
Operating expenses	(890)	(772)
Impairment losses on loans and advances	(309)	(223)
PROFIT FROM OPERATIONS	661	494
Share of results of associates	15	6
PROFIT BEFORE TAX	676	500
Income tax expense	(172)	(148)
PROFIT AFTER TAX	504	352
Minority interest	(3)	(12)
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS	501	340
Earnings per share - basic and diluted in euros	1.55	1.10

Athens, 16 February 2006

Notes: 1. The above information is unaudited.
2. The audited financial statements for the year ended 31 December 2005, as stipulated by the L.2190/1920 a.135, will be posted to the Bank's website on 28 February 2006. The condensed financial statements, as stipulated by the Ministerial Decree 23861/587/2004, will be published in the press and will be posted to the Bank's website on the same date.