Eurobank EFG

Athens, February 8, 2007

FULL YEAR 2006 FINANCIAL RESULTS & FINANCIAL TARGETS FOR 2007-2009

- **Net Profit rises by 28.6% to €645 m.[1], beating target of €615m.**
- **Strong increase in Group Loans by 27.4% (€7.3 bn net additions) - Doubling of Total Loans in New Europe**
- **Network of 1,300 branches and points of sale, of which 790 in New Europe**
- **Distribution of €0.92 Total Dividend and 2-for-10 Bonus Shares**
- **Target for Net Profit CAGR of 22% for the period 2007-2009**

2006 was a landmark year for Eurobank EFG, as the Group expanded its presence in three new countries of Central and SE Europe and achieved strong business growth in Greece and other countries of New Europe. At the end of 2006, the Group had established a strong footprint in Greece and New Europe, employing a network of more than 1,300 branches and points of sale and 19,000 employees.

The continuous development of Group operations in Greece and New Europe and the strengthening of its role in these markets led to financial results which exceeded the targets set by Eurobank Management at the beginning of 2006. More specifically, **consolidated net profit increased by 28.6% to €644.5 m., against a target for €615m.** Taking into account the one-off reserves tax, net profit after tax and minorities stood at €601.1 m.

As a result of the high profitability, Eurobank Board of Directors decided to propose to the Annual General Meeting of Shareholders the distribution of **total dividend** of **€0.92** per share (including the interim dividend of €0.36), versus €0.75[2] last year, an increase of 23%. The proposed dividend implies a yield of 3.7% on the average 2006 share price. The BoD will also propose to the AGM a **2-for-10 shares bonus issue**.

At the same time, the Eurobank EFG Group sets today **higher financial targets for 2007-2009**. The Group maintains its clear focus on achieving high growth rates and establishing a strong footprint in New Europe, a region of more than 200 million people, with collective nominal GDP approaching €1,000 bn. The financial targets for the Group are as follows:

- **Net Profit CAGR of 22%[3] for the period 2007-2009**
- **ROE above 25% by 2009**
- **Cost to Income Ratio below 45% by 2009**

[1] Excluding one-off reserves tax
[2] Adjusted for the distribution of 2 for 10 bonus shares in 2006
[3] From 2006 net profit of €644.5m.

ANALYSIS OF FINANCIAL RESULTS

Summary Figures	2006	2005	Δ%
Total Assets (€ bn)	53.8	44.5	21.0%
Gross Loans (€ bn)	34.9	27.4	27.4%
Total Deposits (€ bn)	23.9	19.3	24.2%
Total Revenues (€ m.)	2,234	1,860.9	20.0%
Core Profit (€ m.)	694.5	592.2	17.3%
Net Profit (€ m.)	601.1	501.1	20.0%
Net Profit (excl. one-off reserves tax) (€ m.)	**644.5**	**501.1**	**28.6%**
ROA (after tax)*	1.33%	1.30%	3bp
ROE (after tax & minorities)*	23.0%	21.1%	196bps
Cost to Income	47.5%	47.9%	33bps

(*) excluding one-off reserves tax

The Group's **Total Assets** increased by **21%** y-o-y and reached **€53.8 bn** at the end of 2006, against €44.5 bn in 2005. This was largely attributed to the strong expansion of the **Loan Portfolio by 27.4%** to **€34.9 bn**. In more detail, **Household Lending** (consumer and mortgage loans) advanced by **28%** to **€16.7 bn** and **Business Lending** rose by **26.9%** to **€18.2 bn**. The expansion of the loan book in **New Europe** was also impressive, as balances increased by **117%** y-o-y on a comparable basis[4] to **€3.6 bn**. It is worth noting that Eurobank net loan additions amounted to **€5.3 bn** in Greece and **€2 bn** in New Europe in 2006.

The quality of the loan portfolio improved significantly, with the total **NPL ratio** falling below 3% to **2.76%** at the end of 2006, from 3.02% in 2005. This development reflects the efficient risk management and improving business sentiment. Consequently, provisions as a percentage of avg. net loans receded to 1.14% in 2006, from 1.29% a year ago, with accumulated provisions covering 89.3**%** of non-performing loans, a ratio which is among the highest in the Greek banking sector.

Asset Management results were robust, as **Customer Funds under Management** expanded by **21%** y-o-y to **€44.6 bn** at the end of 2006. Total Deposits (including repos) advanced by 24.2% y-o-y and reached €23.9 bn in 2006, versus €19.3 bn a year ago. Private Banking and Life Insurance businesses were buoyant, as customer funds under management expanded by 19% y-o-y to €7.5 bn and by 55% to €978 m. respectively.

Group Total Revenues advanced by **20%** and reached **€2.2 bn** at the end of 2006, as a result of growing business in Retail and Wholesale Banking, Asset Management, Private Banking, Insurance and Capital Markets (Brokerage, Investment Banking and Treasury operations). Revenues stemming from New Europe operations accounted for 14% of total income, versus 11% in 2005.

Net Interest Income increased by **16.4%** y-o-y to **€1.6 bn,** mostly due to the solid growth of the loan portfolio. At the same time, the **net interest margin** (net interest income over avg. total assets) remained at **3.3%**.

Fees and Commissions grew also strongly, spearheaded by strong Capital Markets and Asset Management related fees. More specifically, **Net fees from Banking Activities** rose remarkably

[4] Excluding DZI Bank

by **26%** to **€446.7 m**. in 2006, with **fees** stemming from **capital markets** up by **59.7%** to **€117 m**. and fees from mutual funds and assets under management up by 8.8% to €150.4 m.

Overall, **Core Revenues** (NII & Fees and Commissions) rose by **17.2%** y-o-y to €2.1 bn at the end of 2006, contributing 94% to Eurobank's Total Operating Revenues.

Effective management of treasury positions together with the favourable capital market conditions led to a strong increase of income from trading activities (equities, bonds and FX), dividends and other income in 2006. Specifically, trading Gains from Bonds, Equities and FX increased by 78.3% to €102 m. in 2006, from €57.2 m. in 2005. Overall, trading gains together with dividend income and other operating income amounted to €132.6 m. in 2006, compared to €68.9 m. a year ago.

Total Operating Expenses were up 10.9% in Greece and 19.2% for the Group, whereas on a comparable basis[5] Group costs rose by **12.9%**. Cost growth was affected by expenses to upgrade infrastructure and expand the branch network in New Europe.

Despite the continuous expansion of business, Eurobank EFG Group significantly enhanced the efficiency of its operations. The **Cost-to-Income ratio** for the Greek operations fell to **40.7%** at the end of 2006, from 42.7% in 2005, while accounting for New Europe operations, the efficiency ratio for the whole Group stood at 47.5%.

The strengthening of Eurobank EFG Group profitability led to a **Return on average Assets** of **1.33%**[6] and to a **Return on average Equity** of **23%**[6] at the end of 2006. The **Total BIS Ratio** stood at 10.4% and the **Tier I Ratio** reached 8.5% at the end of 2006.

DEVELOPMENTS IN NEW EUROPE

The year 2006 was marked by major developments in Bulgaria, Romania and Serbia, where the group was already present, and its entry into new banking markets: Poland, Turkey and Ukraine.

In Bulgaria, Postbank network expansion continued, reaching 151 branches and 5 business centers at the end of the year. In addition, Eurobank acquired a majority stake in DZI Bank. The imminent merger will place Eurobank in the fourth position in the Bulgarian market in terms of Total Assets and Loans and in the third position in terms of Total Deposits.

In Romania, the operational restructuring of Bancpost continued during 2006. Its network amounted to 189 branches and 10 business centers at the end of the year.

In Serbia, Eurobank enhanced further its presence by acquiring 100% of the Nacionalna štedionica-banka (NSB) in March 2006. The legal merger between EFG Eurobank A.D. Beograd and NSB was completed in October 2006, and the new bank was renamed Eurobank EFG Stedionica a.d. Beograd. The operational merger is expected to be finalized within the first quarter of 2007, leading to the creation of the fourth largest banking network in the country. Eurobank also reached an agreement to buy 74.16% of Prospera Securities AD Beograd. Prospera ranked 3rd among all securities firms in Serbia with a market share of 6.29% in 2006.

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5 Excluding expenses in Poland, Turkey and NSB in Serbia which did not exist last year
6 Excluding one-off reserves tax

In Poland, the group started its greenfield operations in March 2006, and by the end of the year it already had established 70 branches and 60 points of sale (franchised network). Results were encouraging, as Total Loans and Deposits amounted to €231 m. and €137 m. respectively at the end of 2006.

In Turkey, EFG Istanbul Securities showed very positive results, by posting net profits of €9.8 m. in 2006, versus €5.1m. in 2005. Moreover, the Eurobank EFG group agreed to acquire Tekfenbank in May 2006, which offers a wide range of banking products and services in Turkey.

In July 2006, Eurobank EFG agreed to acquire 99.34% of Universal Bank in Ukraine. The acquisition of Universal Bank ensures the entry of Eurobank EFG in a very promising market. The group intends to expand its operations, in order to achieve the dynamic coverage of the entire country.

CREDIT RATINGS

As a result of the leading position of Eurobank in the fast-growing areas in Greece, its rising expansion in New Europe, the improvement of its efficiency, the high quality of its loan portfolio and strengthening of its profitability, Fitch upgraded the Bank's ratings in 2006 to "A" (Issuer Default rating) and "F1" (Short-term rating) - (Outlook: "Stable").

It is noteworthy that Eurobank has the highest credit ratings among Greek banks by Moody's, S&P and Fitch.

RECOGNITION

The dynamic growth of Eurobank, along with its high quality services offered were recognized through a series of distinctions the Group received in 2006 by the most reputable international and Greek media: Bank of the Year by "Global Finance", Best Private Bank in Greece by "Euromoney", Best Bank in Trade Finance in Greece by "Global Finance" and Best Local Custodian by the "Global Custodian".

Summary Figures (€ m.)	2006	2005	Δ%
Net Interest Income	1,596.6	1,371.6	16.4%
Net fees & Commissions	446.7	354.6	26.0%
Non banking fees	57.6	65.8	-12.5%
Core Income	2,100.9	1,792.0	17.2%
Non core income	132.6	68.9	92.4%
Total Operating Income	**2,233.5**	**1,860.9**	**20.0%**
Operating Expenses	1,062.0	890.9	19.2%
Impairment losses on loans	344.4	308.8	11.5%
Core Profit	**694.5**	**592.2**	**17.3%**
Profit before tax after minorities	825.2	671.7	22.9%
Net Profit	601.1	501.1	20.0%
Net Profit (excl. one-off reserves tax)	**644.5**	**501.1**	**28.6%**
Gross Loans	34,895	27,385	27.4%
Deposits	23,914	19,255	24.2%
Total Assets	53,820	44,464	21.0%
Ordinary Shareholders' Equity	2,657	2,523	5.3%

Portfolio of Loans (Gross, € m)	2006	2005	Δ%
Consumer Loans	8,210	6,811	20.5%
Mortgages	8,527	6,262	36.2%
Loans to Households	**16,737**	**13,073**	**28.0%**
Small Business Loans	5,534	4,027	37.4%
Loans to Medium enterprises	7,227	5,808	24.4%
Loans to Large Corporates	5,397	4,477	20.5%
Business Loans	**18,158**	**14,312**	**26.9%**
Total Gross Loans	**34,895**	**27,385**	**27.4%**

Assets Under Management (€ m)	2006	2005	Δ%
Deposits & Other liquid funds	26,909	20,341	32.3%
Mutual Funds	6,534	7,559	-13.6%
Other investment products	11,175	8,972	24.6%
Total Funds under Management	**44,617**	**36,872**	**21.0%**

Financial Ratios	2006	2005
Net Interest Margin	3.3%	3.5%
Cost-Income	47.5%	47.9%
NPLs (% of loans)	2.76%	3.02%
NPLs coverage	89.3%	92.0%
Provision Charge (% of loans)	1.14%	1.29%
Tier I Ratio	8.5%	10.9%
Total Capital Adequacy	10.4%	13.5%
ROA after tax (*)	1.33%	1.30%
ROE after tax and minorities (*)	23.0%	21.1%
EPS (€) (*)	1.59	1.29

(*) excluding one-off reserves tax

EFG EUROBANK ERGASIAS S.A.
Reg. No. 6068/06/B/86/07

CONSOLIDATED BALANCE SHEET

	In € million	
	31 Dec 2006	**31 Dec 2005**
ASSETS		
Cash and balances with central banks	**2,654**	1,755
Loans and advances to banks	**2,938**	2,993
Financial instruments at fair-value-through-profit-or-loss	**807**	1,209
Derivative financial instruments	**518**	311
Loans and advances to customers	**34,046**	26,624
Available-for-sale investment securities	**10,936**	10,024
Investments in associated undertakings	**48**	35
Intangible assets	**354**	154
Property, plant and equipment	**974**	827
Other assets	**545**	532
TOTAL ASSETS	**53,820**	44,464
LIABILITIES		
Due to other banks	**10,923**	10,781
Derivative financial instruments	**709**	736
Due to customers	**23,914**	19,255
Liabilities evidenced by paper	**13,160**	9,153
Other liabilities	**1,490**	1,140
TOTAL LIABILITIES	**50,196**	41,065
EQUITY		
Share capital	**1,242**	1,047
Share premium and other reserves	**1,415**	1,476
Ordinary shareholders' equity	**2,657**	2,523
Preferred securities	**786**	762
Ordinary and Preferred shareholders' equity	**3,443**	3,285
Minority interest	**181**	114
Total	**3,624**	3,399
TOTAL EQUITY AND LIABILITIES	**53,820**	44,464

CONSOLIDATED INCOME STATEMENT

	In € million	
	1 Jan - 31 Dec 2006	**1 Jan - 31 Dec 2005**
Net interest income	**1,597**	1,372
Net banking fee and commission income	**447**	354
Net insurance Income	**37**	36
Non banking services	**20**	30
Core Income	**2,101**	1,792
Dividend income	**9**	4
Net trading income/(loss)	**32**	20
Gains less losses from investment securities	**70**	37
Other operating income	**21**	7
	132	68
OPERATING INCOME	**2,233**	1,860
Operating expenses	**(1,062)**	(890)
Impairment losses on loans and advances	**(344)**	(309)
PROFIT FROM OPERATIONS	**827**	661
Share of results of associates	**5**	15
PROFIT BEFORE TAX	**832**	676
Income tax expense	**(225)**	(172)
PROFIT AFTER TAX	**607**	504
Minority interest	**(6)**	(3)
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS	**601**	501
NET PROFIT EXCLUDING ONE-OFF TAXATION ON RESERVES	**644**	501
Earnings per share - basic and diluted in euros	**1.47**	1.29
Earnings per share - excluding one-off taxation on reserves in euros	**1.59**	1.29

Athens, 8 February 2007

Notes:
1. The above information is unaudited.
2. The audited financial statements for the year ended 31 December 2006, as stipulated by the L.2190/1920 a.135, will be posted to the Bank's website on 27 February 2007. The condensed financial statements, as stipulated by the Ministerial Decree 6511/172/2006, will be published in the press and will be posted to the Bank's website on the same date.